



## COMMERCIAL COMBINED INSURANCE

### IMPORTANT NOTICE TO THE INSURED

This insurance is a legal contract. Please read it carefully to ensure that it is in accordance with your requirements and that you understand its terms and conditions. The Insurance Broker or other intermediary who arranged this insurance should be contacted immediately if any correction is necessary. Your attention is particularly drawn to the notice that appears overleaf.

### **W.R. Berkley Insurance (Europe), Limited**

Registered Office: 40 Lime Street, London EC3M 7AW  
Registered in England & Wales 4681277

## NOTICE TO THE INSURED – complaints procedure

It is always our intention to provide a first class standard of service. However, if you have any cause for complaint or wish to make any enquiry regarding this insurance you should, in the first instance, contact the Insurance Broker or other intermediary who arranged this insurance for you.

Alternatively you may contact us at the following address:

Compliance Officer  
W.R. Berkley Insurance (Europe), Limited  
2nd Floor  
40 Lime Street  
London  
EC3M 7AW  
E-mail : [wrbiel\\_enquiries@wrberkley.com](mailto:wrbiel_enquiries@wrberkley.com)

If you are not satisfied with the way a complaint has been dealt with, you have the right to request that the Financial Ombudsman Service (“FOS”) review your case. Their address is:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR  
Telephone Helpline: 0845 080 1800  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

There are, however, some circumstances in which the FOS is not empowered to consider complaints. If you contact the FOS in respect of any complaints, this will not affect any rights you have in law.

### Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our financial obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS:

Financial Services Compensation Scheme  
7th Floor Lloyds Chambers  
Portoken Street  
London E1 8BN  
Telephone: 020 7892 7300  
Fax: 020 7892 7301  
E-mail: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

### Data Protection

Any personal data provided by you regarding yourself, your employees or your agents shall be processed by us, in compliance with the provisions of the Data Protection Act 1998 and any subsequent or amending legislation, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

We will keep such information secure at all times. In certain circumstances, for example for systems administration purposes, we may have to transfer information to another country, which may be a country outside the European Economic Area (EEA). By proceeding with this insurance we assume that you are agreeable to us transferring information to a country outside the EEA.

Should you wish to obtain details of the information that we hold on you please contact:

The Compliance Officer  
W.R. Berkley Insurance (Europe), Limited  
2nd Floor  
40 Lime Street  
London  
EC3M 7AW

### Claims Procedure

If any incident occurs which might result in a claim you must immediately contact the *Insurer* via your insurance broker or other intermediary who will be able to advise you.

You should refer to **General Conditions and Claims Conditions** towards the end of the Policy for full details of the claims procedure and conditions.

## Index

<b>Item</b>	<b>Page</b>
POLICY INFORMATION	4
INSURING CLAUSE	4
GENERAL POLICY DEFINITIONS	5
SECTION 1 – Property	14
SECTION 2 – Business Interruption	29
SECTION 3 – Business Equipment	38
SECTION 4 – Money & Assault	39
SECTION 5 – Good in Transit	42
SECTION 6 - Terrorism	44
SECTION 7 – Liability	46
SECTION 8 – Contract Works	54
SECTION 9 – Employee Fidelity	59
SECTION 10 – Loss of Licence	62
GENERAL POLICY EXCEPTIONS	65
GENERAL POLICY CONDITIONS	67
CLAIMS CONDITIONS	71

**POLICY INFORMATION** (for information only  
. Does not form part of the Policy)

This Policy has been prepared in accordance with your instructions. Please read it carefully to ensure that it meets your requirements.

This Policy consists of

- (a) the **Insuring Clause**, which explains the basis on which the cover is provided;
- (b) the **Schedule**, which shows who is the *Insured*, the *Business* being covered and other Policy particulars such as the *Period of Insurance*, the *Limits of Indemnity* and certain amounts for which the *Insured* may be responsible;
- (c) the **General Policy Definitions**;
- (d) the Sections of the Policy, which give precise details of the cover being provided and any limits, conditions and exceptions that are specific to a particular Section;
- (e) the **General Policy Extensions**, which extend the cover provided within the individual Sections;
- (f) the **General Policy Exceptions, General Policy Conditions and Claims Conditions**, which incorporate terms that apply to the whole Policy;
- (g) any **Endorsement(s)**, which might apply to the Policy or individual Sections and which incorporate cover amendments, extensions, limitations and such like.

Immediate notice should be given to the *Insurer* via your agent of any changes which may affect the insurance provided by this Policy.

Alterations in the cover required, after issue of the Policy, will be confirmed by separate **Endorsement(s)**, which you should file with the Policy. You should refer to these **Endorsement(s)** and the Policy to ascertain precise details of cover currently in force. Your insurance broker will be able to provide any help or information that you might require.

**INSURING CLAUSE**

In consideration of the *Insured* having agreed to pay the *Premium* and on the basis of any information provided in connection with the *Proposal*, the *Insurer* will indemnify the *Insured*, on and subject to the terms, limits, conditions clauses and exceptions of this Policy, against the events set out in the Sections operative (specified herein) and occurring in connection with the *Business* during the *Period of Insurance*, or any subsequent period for which the *Insurer* agrees to accept payment of the *Premium*.

Each Section of the Policy, the *Schedule* and any **Endorsement(s)** and the **General Policy Definitions, General Policy Conditions, Claims Conditions and General Policy Exceptions** shall be read as one document.

Any word or expression which appears in the policy in italics shall have the meaning given in the **General Policy Definitions**. Any other word or expression given a specific meaning in

- (a) the **Schedule**, any **Policy Endorsement(s)**, or the **General Policy Conditions, General Policy Exceptions and Claims Conditions**, or this **Insuring Clause**, and beginning with a capital letter, shall have the same meaning throughout the Policy;
- (b) an individual Section, or any **Section Endorsement(s)**, and beginning with a capital letter shall have only the same meaning throughout such Section or **Section Endorsement(s)**.

References in this Policy to any

- (a) statute, statutory provision, or European Union Directive, or
- (b) order, regulation, instrument, directive or code having the effect of and authorised by law

shall also apply to any amendment, substitution, replacement or consolidation of such laws, or to any laws promulgated thereunder.

## GENERAL POLICY DEFINITIONS

### Ancillary Equipment

means equipment solely used for the suitable operation of *Computer Equipment*, including air conditioning equipment, generating equipment, voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat and smoke detection equipment and computer room partitioning.

### Annual Rent Receivable

means *Rent Receivable* during the 12 months immediately before the date of the *Incident*.

*Annual Rent Receivable* and *Standard Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident*, or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Annual Revenue

means the *Revenue* during the twelve months immediately before the date of the *Incident*.

### Annual Turnover

means the *Turnover* during the twelve months immediately before the date of the *Incident*.

### Assault

means actual or attempted physical assault, robbery or hold-up.

### Auditor's Fees

means necessary and reasonable fees payable by the *Insured* to its auditors, or professional accountants, for producing such particulars or details contained in the *Insured's* books of account or other business documents, or such other proofs, information or evidence as may be required by the *Insurer* to substantiate the amount of a claim.

### Bodily Injury means

- (a) death, illness or disease, or
- (b) physical or mental injury, mental anguish or shock

but not defamation, libel, slander, deceit, injurious falsehood, discrimination, harassment or advertising injury.

### Building(s) means

- (a) the building(s) situated at the *Premises* being constructed of brick, stone or concrete and roofed with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the *Insurer*, and
- (b) landlord's fixtures and fittings in or on the said *Building(s)*

which are the property of or leased to the *Insured*.

Unless more specifically insured, *Building(s)* also includes

- (i) annexes and *Outbuildings*;
- (ii) tenants' improvements;
- (iii) conveyors, lines, wires, service pipes and similar property on the *Premises* and extending to the public mains;
- (iv) walls, gates and fences;
- (v) car parks, yards, roadways and similar surfaces at the *Premises*;

which are the property of the *Insured* or for which the *Insured* is legally responsible.

*Building(s)* in the course of construction are excluded.

### Business

means the *Insured's* business as described in the *Schedule* and shall include

- (a) the provision and management of catering, social, sports, educational, medical, dental and welfare organisations for the benefit of the *Insured's Employees* and fire, security, first aid and ambulance services;
- (b) repair or maintenance of vehicles or plant, owned or used by the *Insured*;
- (c) the ownership, repair, maintenance and decoration of the *Insured's Premises*;

- (d) participation in exhibitions held in member countries of the European Union in connection with the *Business* specified in the *Schedule*;
- (e) private work carried out by any *Employee* of the *Insured* (with the consent of the *Insured*) for any director, partner or senior official of the *Insured*.

**Business Hours**

means any period during which the *Premises* are open for *Business* and attended by the *Insured* or any authorised *Insured Person*.

**Collusion**

means all circumstances in which two or more *Employees* are concerned or implicated together, or materially assist each other, in committing an *Employee Dishonest Act*.

**Compensation**

means all sums which the *Insured* shall be legally liable to pay as compensation and claimants costs and expenses, other than fines or penalties, punitive, exemplary or aggravated damages, or any additional damages resulting from the multiplication of compensatory damages.

**Computer Breakdown** means

the actual breaking, failure, distortion or burning out of any part of the *Computer Equipment*, whilst in ordinary use and arising from

- (a) electrical or mechanical defects in the *Computer Equipment* causing its sudden stoppage and necessitating repair or replacement before it can resume normal work, or
- (b) an artificially generated electrical current, including electric arcing.

**Computer Equipment**

means *Hardware*, *Peripheral Equipment* and *Ancillary Equipment* (including any equipment which, having more than one function, can be used as *Computer Equipment*) the property of the *Insured*, or held by them in trust for which the *Insured* is legally responsible.

**Computer Record**

means a unit of *Electronic Data* representing a particular transaction, or inter-related data which describes an event, person or other entity.

**Consequential Loss**

means loss (as specified for each insured Item of Section 2) resulting from interruption of, or interference with, the *Business* carried on by the *Insured* at the *Premises*.

**Constructional Plant**

means constructional plant, scaffolding, tools and equipment, site huts, demountable and temporary buildings, caravans and other items of a like nature for use in connection with the *Works*, the property of the *Insured* or for which the *Insured* is responsible.

**Contents**

means machinery, plant, equipment, *Computer Equipment* furniture, fixtures, fittings, alterations and decorations and all other contents, the property of the *Insured* or held by them in trust for which the *Insured* is legally responsible, whilst contained within the *Premises* to which this insurance applies, but excluding

- (a) *Building(s)*;
- (b) *Stock in Trade*;
- (c) *Money* and any kind of securities for money;
- (d) documents, manuscripts and business books, except for an amount not exceeding £10,000 in respect of the value of the materials as stationery together with the cost of the clerical labour expended in reproducing such documents, manuscripts and business books;
- (e) *Computer Records*, except for an amount not exceeding £25,000 in respect of the value of the *Data Media* together with the cost of the clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein);
- (g) patterns, models, moulds, plans and designs, except for an amount not exceeding £25,000 in respect of the value of the materials together with the cost of labour expended in Reinstatement;
- (h) the personal effects (including tools, clothing and pedal cycles) of *Employees*, directors, partners and visitors, except for an amount not exceeding £1,000 in respect of any one person;

- (i) glass;
- (j) motor vehicles licensed for road use and their accessories;
- (k) wines, spirits, cigarettes and tobacco goods, except for an amount not exceeding £1,000 in respect of any one *Premises*;
- (l) closed circuit television and security alarm equipment, except for an amount not exceeding £10,000 in respect of any one *Premises*.

### **Contractual Liability**

means liability which attaches by virtue of a contract or agreement, but only to the extent to which it would not have attached in the absence of such contract or agreement.

### **Damage**

means physical loss, damage or destruction.

### **Data Media**

means data carrying materials of all types (other than paper records), both current and back-up, incorporating any stored *Programme(s)* or *Electronic Data* that is the property of the *Insured* or is leased, hired, rented or licensed to the *Insured*.

### **Debris Removal**

means costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurer* to

- (a) remove and dispose of debris from;
- (b) dismantle or demolish;
- (c) shore-up or prop-up;

the portion or portions of the Property Insured following *Damage*.

The *Insurer* will not pay for any costs or expenses

- (i) incurred in removing debris except from the site of the Property Insured and the area immediately adjacent to such site;
- (ii) arising from pollution or contamination of property not insured by this Policy.

### **Defined Peril**

means fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, 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, or impact by any vehicle or animal

### **Denial of Service Attack**

means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. *Denial of Service Attack* includes, but is 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.

### **Electronic Data**

means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

### **Electronic Instructions**

means any instruction given through the internet, or by means of a computer or electronic verification device.

### **Employee means**

- (a) any person under a contract of service or apprenticeship with the *Insured*;
- (b) any labour master or labour only sub-contractor, or person supplied or employed by them;
- (c) any self-employed person working for and under the control of the *Insured*;
- (d) any person under a contract of service or apprenticeship with another employer who is hired to or borrowed by the *Insured*;
- (e) a prospective employee, who is undergoing practical work experience, whilst being assessed by the *Insured* as to his or her suitability for employment;

- (f) any person engaged under a work experience, government training or similar scheme;
  - (g) any person who is an outworker or home worker, employed under a contract to personally carry out work in connection with the *Business*, while they are engaged in that work;
  - (h) any person who is a voluntary helper while working under the supervision and control of the *Insured* and in connection with the *Business*.
- (iii) Russia west of the Ural Mountains;
  - (c) Turkey west of longitude 30°E;
  - (d) Tunisia;
  - (e) Israel;
  - (f) those parts of Egypt, Algeria and Morocco north of latitude 30°N;
  - (g) Madeira;
  - (h) the Canary Islands.

### Employee Dishonest Act(s)

means any act of fraud or dishonesty, committed by an Employee under and during a contract of service with the *Insured* and resident within the *Territorial Limits*, with the clear intent of obtaining an improper financial gain for themselves, or for any other person or organisation intended by the employee to receive such gain. Salaries, commissions, fees or other employee benefits earned in the normal course of employment shall not be regarded as improper financial gains.

### Estimated Gross Profit

means the amount declared by the *Insured* to the *Insurer* as representing not less than the *Gross Profit* which it is anticipated will be earned, by the *Business*, during the financial year most nearly concurrent with the *Period of Insurance* (or proportionate to a multiple thereof where the *Maximum Indemnity Period* varies from twelve months).

### Estimated Revenue

means the amount declared by the *Insured* to the *Insurer* as representing not less than the *Revenue* which it is anticipated will be earned, by the *Business*, during the financial year most nearly concurrent with the *Period of Insurance* (or proportionate to a multiple thereof where the *Maximum Indemnity Period* varies from twelve months).

### Europe means

- (a) the *United Kingdom*;
- (b) Europe including
  - (i) Iceland;
  - (ii) islands in the Mediterranean;

### Excess means

- (a) for the purposes of Sections 1 to 6 and Section 8, means the total amount to be borne by the *Insured* and deducted, after the application of *Average*, from each and every claim for *Damage* before the *Insurer* shall be liable to make any payment (in respect of Section 1 the *Excess* shall also apply in respect of each separate Location);
- (b) for the purposes of Sections 7, 9 and 10, means the total amount payable by the *Insured*, or any other person entitled to indemnity, in respect of any *Damage* to *Property* arising out of any one *Occurrence* before the *Insurer* shall be liable to make any payment.

If any payment made by the *Insurer* shall include the amount for which the *Insured* or any other person entitled to indemnity is responsible, such amount shall be repaid to the *Insurer* forthwith.

### Fungal Pathogens

means any fungus or mycota, or any by-product or type of infestation produced by fungus or mycota including, but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

### Glass means

- (a) fixed glass and mirrors in or at the *Premises*;
- (b) window alarm foil, ornamental glass, lettering and silvering;
- (c) fixed external signs including neon signs;

being the property of the *Insured* or for which the *Insured* is responsible.



**Gross Profit**

means the amount by which

- (a) the sum of the amount of the *Turnover*, less discounts allowed, and the amount of the closing stock, finished goods, raw materials and work in progress

shall exceed

- (b) the sum of the amount of the opening stock, finished goods, raw materials and work in progress and the amount of *Uninsured Working Expenses*.

The amounts of the opening and closing stocks, and work in progress, shall be arrived at in accordance with the *Insured's* normal accountancy methods, due provision being made for depreciation.

**Hacking**

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

**Hardware**

means the physical equipment or units that make up the *Computer Equipment*.

**Incident**

means accidental *Damage to Building(s)* or property situated at the *Premises* and used by the *Insured* for the purpose of the *Business*.

**Indemnity Period**

means the period beginning with the occurrence of the *Incident* and ending not later than the expiry of the period of months specified in the *Schedule*, during which the results of the *Business* shall be affected in consequence of the *Incident*.

**Insured**

means the person(s) or corporate body(ies) named as such in the *Schedule* of this Policy.

**Insured Goods**

means goods which, for the purposes of the *Business*, are the property of the *Insured*, or held by the *Insured* in trust for which the *Insured* is legally responsible.

**Insured Person**

means any partner, director or *Employee* of the *Insured* whose usual place of employment is at the *Premises*.

**Intruder Alarm System**

means an electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into *Protected Premises*.

**Insurer**

means W. R. Berkley Insurance (Europe), Limited.

**Keyholder**

means the *Insured*, or any person or keyholding company authorised by the *Insured* (who must be available at all times to accept notification of faults or alarm signals relating to the *Intruder Alarm System*) to attend and allow access to the *Premises*.

**Licence**

means loss of the Licence issued to the *Insured* under the provisions of the Licensing Act 2003 (and any subsequent legislation governing such Licence which is enacted prior to commencement of the *Period of Insurance*, or any other similar legislation in Scotland or Northern Ireland) for the purpose of carrying on the *Business* at the *Premises*.

**Limit of Indemnity**

means the limit as specified in the *Schedule* and is the maximum amount payable by the *Insurer*.

With regard to Sections 7 Parts A & B, the *Limit of Indemnity* shall apply to the total sum of all claims arising out of any *Occurrence*, irrespective of the number of claims or claimants. With regard to Section 7 Part C, the *Limit of Indemnity* shall apply as an aggregate limit in respect of the total sum of all claims, regardless of the number of events occurring during the *Period of Insurance*.

With regard to Section 10 the *Limit of Indemnity* shall apply as an aggregate limit in respect of

- (a) all *Employee Dishonest Acts* committed throughout the continuance of this insurance by one individual employee, or by more than one employee acting in *Collusion*, irrespective of the number of *Periods of Insurance* during which the insurance by Section 10 shall remain in force (and any insurance issued in substitution or succession);
- (b) the total sum of all claims during any one *Period of Insurance* irrespective of the number of claims.

**Loss of Limb**

means physical separation, at or above the wrist or ankle, or the total permanent loss of use of a hand, arm, foot or leg.

**Loss of Sight**

means permanent and total loss of sight in one or both eyes.

**Maintenance Period**

means the period during which the *Insured* are responsible, under the terms of the contract governing the *Works*, for rectifying defects. The *Maintenance Period* shall not exceed a period of twelve months.

**Money**

means money the property of the *Insured*, or for which the *Insured* is legally responsible, consisting of

- (a) negotiable instruments, which must be current coinage, bank and currency notes, uncrossed cheques, Giro cheques, uncrossed postal and money orders, unexpired units in franking machines, unused postage stamps, revenue stamps, National Savings and National Insurance stamps, business travel tickets, luncheon and customer redemption vouchers, trading stamps, holiday-with-pay stamps, bills of exchange, promissory notes, travellers' cheques, dividend warrants, gift tokens, sales vouchers, land registry stamps or telephone cards;
- (b) non-negotiable instruments, which must be any crossed instrument being a cheque, money or postal order, traveller's cheque, Giro draft, banker's draft, National Savings Certificates, premium bonds, credit cards and reservation vouchers, VAT purchase invoices, used National Insurance stamps, stamped National Insurance cards, credit and charge card counterfoils or stamped pension cards.

For the purposes of Section 10, *Money* shall also include monetary balances and investments held to the credit of the *Insured* by a financial institution

**Occurrence**

means any one event, or all events of a series consequent upon, or attributable to one source or original cause.

**Offshore**

means from the time of embarkation by an *Employee*, onto a conveyance at the point of final departure to an offshore rig or offshore platform, until disembarkation by that *Employee*, from a conveyance onto land, upon return from an offshore rig or offshore platform.

**Outbuildings**

means any building that is subsidiary to the *Building(s)*, which does not incorporate permanent foundations below ground level and which is not capable of being properly secured, including but not limited to any stable, garage, shed, hut, lean-to greenhouse, hay loft or barn.

**Outstanding Debit Balances**

means the total outstanding debit balances last recorded by the *Insured* before the date of the *Incident*, adjusted for

- (a) bad debts;
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the *Incident*) to customers' accounts in the period between the date to which the last record relates and the date of the *Incident*;
- (c) any abnormal condition of trade which had or could have had a material effect on the *Business*;

so that the figures thus adjusted shall represent, as nearly as reasonably practicable, those which would have been obtained at the date of the *Incident* had the *Incident* not occurred.

**Overnight**

means between 21:00 hours and 07:00 hours.

**Period of Insurance**

means the period specified in the *Schedule*, or such other period(s) as may be agreed by the *Insurer*.

**Peripheral Equipment**

means hardware not contained within the main processing computer, such as but not limited to terminals, modems, local area network cabling and infrastructure, separate storage devices and other devices that can be operated under computer control.

**Permanent Total Disablement**

means permanent disablement entirely preventing the *Insured Person* from engaging in, or attending to any occupation for which the *Insured Person* is reasonably fitted by reason of education, training or experience.

**Pollution or Contamination** means

- (a) the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic or hazardous chemicals, liquids or gases, or waste materials, or other irritants, contaminants or pollutants, into or upon buildings, structures, land, water or the atmosphere, and
- (b) all loss, *Damage to Property*, or *Bodily Injury*, directly or indirectly caused by or arising from such Pollution or contamination as described in (a) above.

**Premium**

means the amount payable by the *Insured* specified as such in the *Schedule*.

**Premises**

means the Premises stated in the *Schedule*, or in any Endorsement(s), and used by the *Insured* for the purposes of the *Business*.

**Principal**

means any person, employer, firm, company, ministry or authority for whom the *Insured* is carrying out a contract or agreement for the performance of work.

**Product Supplied**

means any product or item (including containers, packaging or labelling) sold, supplied, erected, repaired, altered, treated, installed, processed, manufactured, tested, serviced, hired out, stored, transported, or delivered by, or through the *Insured*, in the course of the *Business* in or from the *United Kingdom*.

**Professional Fees**

means architects, surveyors, consulting engineers, legal and other professional fees necessarily and reasonably incurred in the Reinstatement of the Property Insured, but not for preparing a claim under this insurance.

**Property**

shall mean material or tangible property.

**Property at Exhibition**

means exhibits, including the stand and its furnishings and equipment, the property of the *Insured* or held by them in trust for which the *Insured* is legally responsible, whilst such property is at any exhibition, or in transit to or from any exhibition, including loading, temporary housing en-route and unloading.

**Proposal**

means any information provided by the *Insured* or in connection with this Policy, and any declaration made in connection therewith.

**Protected Premises**

means the *Premises*, or those portions of the *Premises*, protected by the *Intruder Alarm System*.

**Rate of Gross Profit**

means the *Rate of Gross Profit* earned on the *Turnover* during the financial year immediately before the date of the *Incident*.

**Rent**

means rent which continues to be legally payable by the *Insured* whilst the *Premises* are rendered unusable as a result of *Damage* but only in respect of the period reasonably necessary for their reinstatement and not exceeding the maximum period stated in the *Schedule*.

**Rent Receivable**

means the money paid or payable to the *Insured* for accommodation provided in the course of the *Business* at the *Premises*.

**Responsible Person**

means the *Insured* or any other person authorised by the *Insured* to be responsible for the security of the *Premises*.

**Revenue**

means the money paid or payable to the *Insured* for the *Business* activities as stated in the *Schedule* or as amended by Endorsement.

**Sanitary Fittings**

means fixed items of sanitary ware, the property of the *Insured*, or for which the *Insured* is responsible, situated within the *Premises*.

**Schedule**

means the Schedule of Insurance attaching to and forming part of this Policy.

**Software**

means any *Programme(s)* characterised as systems or application software and to invoke processing or facilitate the writing of any programme(s).

**Standard Rent Receivable**

means the *Rent Receivable* during that period in the twelve months immediately before the date of the *Incident* which corresponds with the *Indemnity Period*.

*Annual Rent Receivable* and *Standard Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident*, or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

**Standard Revenue**

means the *Revenue* during that period in the twelve months immediately before the date of the *Incident* which corresponds with the *Indemnity period*.

**Standard Turnover**

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

**Stock in Trade**

means stock and materials in trade, including finished stock and work in progress, the property of the *Insured* and goods in trust for which the *Insured* is legally responsible.

**Subsidiary**

means any entity of which the *Insured* either owns more than 50% of the voting rights, or owns more than 50% of total issued share capital.

**Sum Insured**

means the Sum Insured as stated in the *Schedule* applicable to the particular Item or Section.

**Temporary Total Disablement**

means temporary disablement entirely preventing the *Insured Person* from engaging in, or attending to their usual occupation.

**Territorial Limits**

means Great Britain, Northern Ireland, the Channel Islands and the Isle of Man (unless expressly stated to the contrary in any Section of this Policy, the *Schedule* or any Endorsement which may be attached to this Policy).

**Terrorism** means

- (a) for the purposes of Section 6, acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the *United Kingdom* or any other government de jure or de facto;
- (b) for the purpose of all other Sections, the actual or threatened
  - (i) use of force or violence against persons or *Property*, or
  - (ii) commission of an act dangerous to human life or *Property*, or
  - (iii) commission of an act that interferes with or disrupts an electronic or communication system

undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government power, authority or military force, when any of the following applies

  - (iv) the reasonably apparent intent or effect is to intimidate or coerce a government or business, or to disrupt any segment of the economy, or
  - (v) the reasonably apparent intent or effect is to cause alarm, fright, fear of danger or apprehension of public safety in one or more distinct segments of the general public, or to intimidate or coerce one or more such segments, or
  - (vi) the reasonably apparent intent or effect is to further political, ideological, religious or cultural objectives, or to express support for (or opposition to) a philosophy, ideology, religion or culture.

**Transit**

means in the course of being

- (a) conveyed by, or temporarily housed in or upon a land vehicle or trailer, owned or operated by the *Insured*;
- (b) conveyed by, or in the charge of a carrier (not being the *Insured*) for the purpose of transportation through any means by that carrier;
- (c) conveyed by any other means of *Transit* agreed by endorsement to this Policy;
- (d) loaded onto or unloaded from the means of conveyance described in any of the above;

anywhere within the *Territorial Limits*.

**Treasury**

means the Lords Commissioners of Her Majesty's Treasury from time to time, or any successor relevant authority.

**Turnover**

means the money paid or payable to the *Insured* for goods sold and delivered and for services rendered in the course of the *Business* at the *Premises*.

**Unattended**

means not under the direct supervision of an authorised person who is either inside, or within two metres of the vehicle.

**Uninsured Working Expenses**

means the cost of purchases (less discounts received), carriage, freight, packing, discounts allowed or bad debts or as otherwise stated in the *Schedule*.

**United Kingdom**

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

**Unlawful Association**

means any organisation which is engaged in *Terrorism* and includes an organisation which at any time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or any amendment thereto.

**Unoccupied**

means closed for *Business*, or not occupied for its usual *Business* purposes, for any period of more than thirty consecutive days.

**Virus or Similar Mechanism**

means any programme code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect any computer *Programme(s)*, data files or operations, whether involving self-replication or not. *Virus or Similar Mechanism* includes but is not limited to trojan horses, worms and logic bombs.

**Works**

means the temporary or permanent works executed, or in the course of being executed, for the performance of any contract (not originally scheduled for a duration longer than three years, exclusive of the *Maintenance Period*) undertaken in connection with the *Business*, including materials and goods supplied by reason of the contract and other materials for use in connection therewith.

## SECTION 1

### PROPERTY DAMAGE ALL RISKS

#### The Cover

The *Insurer* will indemnify the *Insured* against accidental *Damage*, occurring during the *Period of Insurance*, to the Property Insured.

#### Limit of Liability

The liability of the *Insurer* during the *Period of Insurance* shall not exceed the *Sum Insured* in respect of each individual Item of the Property Insured, subject to any other limit of liability stated herein or in the *Schedule*.

#### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

#### The Property Insured

A. *Building(s)*;

B. *Contents* (including *Computer Equipment*);

Unless, as otherwise stated in the *Schedule*, any insurance by this Section in respect of *Building(s)* or *Contents* shall include provision for *Professional Fees* and *Debris Removal*;

C. *Stock in Trade*;

D. *Rent*.

#### Section 1 Exceptions

##### Excepted Causes

The *Insurer* shall not indemnify the *Insured* against

1) *Damage* caused directly by or consisting of

(a) inherent vice, latent defect, gradual deterioration, wear and tear, or the Property Insured's own faulty or defective design or materials;

(b) faulty or defective workmanship, or operational error or omission, on the part of the *Insured* or any of their *Employees*;

(c) the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;

(d) explosion occasioned by the bursting of any boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to, or under the control of the *Insured*;

but this shall not exclude subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded;

2) *Damage* caused directly by or consisting of

(a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light or atmosphere, frost, marring, scratching, dust, chemical action or reaction, pests, vermin or insects;

(b) change in temperature, colour, flavour, texture or finish;

(c) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of connected steam and feed piping;

but this shall not exclude

(i) such *Damage* which itself results from a *Defined Peril*, or from any other cause not being an Excepted Cause or otherwise excluded;

(ii) subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded;

3) *Damage* caused directly by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates;

but this shall not exclude

- (a) *Damage* to surrounding property, not forming part of the same machine, apparatus or equipment;
  - (b) such *Damage* which itself results from a *Defined Peril* or from any other cause not being an Excepted Cause or otherwise excluded;
  - (c) subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded;
- 4) *Damage* caused directly by or consisting of theft or attempted theft unless
- (a) involving forcible and violent entry to or exit from *Buildings* at the *Premises*;
  - (b) involving assault or violence, or threat of assault or violence, to the *Insured*, or any partner, director or employee of the *Insured*, or to members of their families, or any other person lawfully on the *Premises*;
- 5) *Damage* caused directly by theft, or attempted theft, from yards, gardens, open spaces or *Outbuildings*, unless the contents thereof are specifically insured by this Section;
- 6) *Damage* caused directly by or consisting of
- (a) subsidence, ground heave or landslip, unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
  - (b) normal settlement or bedding down of new structures;
- 7) *Damage* caused directly by or consisting of
- (a) an act of fraud or dishonesty by the *Insured*, or any partner, director or *Employee* of the *Insured*, or by members of their families or any other person to whom the Property Insured has been entrusted;
  - (b) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
  - (c) erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software*
- (i) whilst mounted in or on any machine or data processing apparatus, or
  - (ii) due to the presence of a magnetic flux unless caused by *Damage* not being the result of an Excepted Cause in respect of the machine or apparatus in which the records are mounted;
- 8) *Damage* in respect of buildings or structures caused directly by their own collapse or cracking, unless resulting from a *Defined Peril* not otherwise excluded;
- 9) *Damage* caused directly by wind, rain, hail, sleet, snow, flood or dust to
- (a) moveable property in the open, or in open sided buildings, or contained in *Outbuildings*;
  - (b) fences and gates;
- 10) *Damage* to the Property Insured caused directly by fire resulting from its undergoing any process involving the application of heat;
- 11) *Damage* (other than by fire) to the Property Insured resulting from it undergoing any process of
- (a) production;
  - (b) packing, treatment, testing, cleaning, commissioning, servicing, repair or any other process;
- but this shall not exclude *Damage* to surrounding property not forming part of
- (i) the machinery performing such process;
  - (ii) the same process of production;
  - (iii) the same process of packing, treatment, testing, cleaning, commissioning, servicing, repair or other process;
- 12) *Damage* caused directly by or consisting of the solidification of molten material, unless resulting from a *Defined Peril* not otherwise excluded;
- 13) *Damage* in respect of any *Unoccupied Building*

- (a) caused directly by the escape of water from any tank, apparatus or pipe;
  - (b) caused directly (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
  - (c) caused directly by freezing;
  - (d) caused directly by theft or attempted theft;
- 14) *Damage* caused directly by, or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property;
- 15) *Damage* caused directly by or resulting from cessation of work;
- 16) delay, loss of market, loss of use, or *Consequential Loss* or *Damage* of any kind, except loss of *Rent* when such loss is included in the cover by this Section;
- 17) *Damage* attributable solely to change in the water table level.

## Section 1 Clauses

### 1 Designation

For the purpose of determining, where necessary, the heading under which any property is insured, the *Insurer* agrees to accept the designation under which such property has been entered into the *Insured's* books of accounts.

### 2 Electrical Apparatus

If any electrical apparatus or fittings are damaged by fire due to self ignition, over-running, excessive pressure, short circuiting, self heating or leakage of electricity, the *Insurer* shall not indemnify the *Insured* for damage to the equipment which contained the particular piece of apparatus or fitting which has caused the fire, but shall provide indemnity for damage to any other apparatus or fittings in consequence of such fire, if such other apparatus or fittings are otherwise insured under this Section.

### 3 Non-invalidations

The insurance under this Section shall not be invalidated by any act or omission, or by any alteration or defect, whereby the risk of *Damage* is increased unknown to or beyond the control of the *Insured*, provided that the *Insured* shall give notice to the *Insurer* as soon as reasonably practicable after such act or omission or alteration comes to the notice of the *Insured* and shall pay any additional premium required by the *Insurer*.

## Excepted Property

The *Insurer* shall not indemnify the *Insured* in respect of *Damage* to

- 1) (a) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
  - (b) *Glass or Sanitary Fittings*;
  - (c) other glass or glassware, china, earthenware, marble, statuary, or other fragile or brittle objects;
- unless resulting from a *Defined Peril* not otherwise excluded;
- 2) property in transit, except as provided for in Extensions 16 (Property at Exhibitions), 19 (Temporary Removal), 20 (Temporary Removal Computer Records) and 21 (Temporary Removal Documents);
  - 3) (a) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;



#### 4 Replacement or Reinstatement

In the event of any claim being made under this insurance for *Damage* occurring to the Property Insured under Item A (*Building(s)*) or Item B (*Contents*), the amount payable by the *Insurer* in respect of such *Damage* shall be the cost of Reinstatement.

For the purpose of this Clause the term "Reinstatement" shall mean

(a) where the Property Insured is lost or destroyed

(i) in respect of Item A (*Buildings*), the rebuilding of the property;

(ii) in the case of other property, replacement by similar property;

in either case in a condition substantially the same as, but not better or more extensive than the condition of the property when new;

(b) where the Property Insured is damaged, the repair or restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than its condition when new.

#### Special Provisions to Clause 4

(a) The work of Reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the *Insured*, subject to the liability of the *Insurer* not being increased) must be commenced and carried out with reasonable despatch, otherwise no payment shall be made by the *Insurer* beyond the amount which would have been payable under this Policy if this Clause had not been incorporated.

(b) When any Property Insured under Item A (*Building(s)*) or Item B (*Contents*) is damaged or destroyed in part only, the liability of the *Insurer* shall not exceed the sum that the *Insurer* would have been required to pay for Reinstatement if such property had been wholly destroyed.

(c) No payment shall be made by the *Insurer* beyond the amount which would have been payable under this Policy if this Clause had not been incorporated

(i) until the cost of Reinstatement shall have been actually incurred by the *Insured*;

(ii) if the Property Insured under Item A (*Building(s)*) or Item B (*Contents*) shall, at the time of *Damage*, be covered by any other insurance effected by, or on behalf of the *Insured* which is not upon the same basis of Reinstatement.

(d) General Policy Condition 1 Average (Underinsurance) shall not apply to reinstatement under this clause, but if at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property Insured under Item A (*Building(s)*) or Item B (*Contents*), exceeds the *Sum Insured* for that Item at the commencement of the *Damage*, the amount payable by the *Insurer* shall not exceed that proportion of the cost of Reinstatement which the *Sum Insured* for that Item bears to the sum representing the total cost of reinstating the Property Insured under that Item.

(e) The terms, limits, conditions and exceptions of this Policy shall apply in full to

(i) any claim payable in respect of Reinstatement, except where expressly varied by this Clause;

(ii) any claim which is to be payable as if this Clause had not been incorporated into the Policy.

#### 5 Seventy Two Hours Clause

All *Damage* caused by storm, tempest, flood, subsidence or landslip occurring in any one period of seventy two consecutive hours, within any one *Period of Insurance*, shall constitute one claim for the purposes of this Section. The *Insured* shall select the time from which any seventy two hour period shall commence, provided that such *Damage*

occurred prior to the expiry of the *Period of Insurance*. If there is more than one such period selected during the *Period of Insurance*, they must not overlap and the *Excess* shall apply separately to each selected period.

## Section 1 Conditions

### 1 Fire Extinguishing Appliances

This insurance takes into consideration the installation of fire extinguishing appliances in accordance with details provided by the *Insured* to the *Insurer* and the *Insured* undertakes to maintain such appliances in full and effective working order and under a contract for maintenance throughout the *Period of Insurance*. Subject to the observance of this Condition, this Section shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to or beyond the control of the *Insured*.

### 2 Hot Work Precautions

It is a condition precedent to the liability of the *Insurer* that when welding or flame-cutting equipment, blow lamps, blow torches or hot air guns (the *Equipment*) are used by the *Insured* or any *Employee* or contractor at the *Premises* the *Insured* shall ensure that

#### (a) before use of the *Equipment*

- (i) an *Employee* is appointed on site to be responsible for fire safety and for ensuring that fire precautions are taken. Such *Employee* must arrange for the required fire extinguishing appliances to be available at the site;
- (ii) each *Employee* or contractor shall be made aware of the location of fire fighting equipment and alarms;
- (iii) a full written assessment of combustible areas and any pipework likely to increase the risk of fire or explosion must be made and any such area cleared of combustible materials, or covered by overlapping sheets of incombustible material, and purged of gases or liquids, to ensure safe use of the *Equipment*;

(iv) a full assessment and inspection of the *Equipment* must be made to identify leaks or defects and any such defects must be rectified before any works commence;

(v) there shall be available for immediate use, at the point of application of heat, suitable fire fighting apparatus (as a minimum, a nine litre capacity fire extinguisher or, where the use of water would be inappropriate, a two kilogram multi-purpose dry powder extinguisher);

#### (b) during use of the *Equipment*

(i) the lighting or operation of the heat equipment is in accordance with manufacturer's instructions;

(ii) it is lit as short a time as possible before use and extinguished immediately after use and not left unattended whilst alight;

(iii) a responsible person shall act as fire watcher alongside each person using the *Equipment*;

(iv) it shall be operated only by *Employees* or contractors trained or experienced in its use;

(v) an adequate check is undertaken for cooling down of *Equipment* and safe storage away from the area of work;

(c) upon completion of each period of work, a thorough fire safety check is made for at least thirty minutes in the vicinity of the work (including the other side of walls or partitions).

## Section 1 Extensions

Unless otherwise stated in the *Schedule* (or by endorsement to the Policy), the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

## 1 Additional Costs

The indemnity provided by this Section shall extend to apply to additional costs reasonably and necessarily incurred by the *Insured* for the purpose of ensuring that the *Premises* remain secure, habitable and tenable following *Damage* insured by this Section (other than the loss of keys by theft). The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 5% of the total *Sums Insured* for the *Premises* at which the *Damage* occurred, or £10,000 whichever is the lesser.

## 2 Automatic Reinstatement of Sums Insured

In consideration of the *Sums Insured* not being reduced by the amount of any *Damage*, the *Insured* undertakes to pay the appropriate additional premium on the amount of the *Damage* from the date thereof to the expiry of the *Period of Insurance*, and to carry out any measures that the *Insurer* may require to prevent further *Damage* or enhance the security of the *Premises*. The liability of the *Insurer* in respect of any one *Occurrence* shall not exceed, in respect of each Item of the Property Insured, the *Sum Insured* for that Item.

## 3 Breakage of Glass and Sanitary Fittings

The indemnity provided by this Section shall, regardless of Section Exception 1(b) under Excepted Property, include the costs of repair or replacement in the event of breakage of *Glass* or *Sanitary Fittings*.

The liability of the *Insurer* under this Extension shall not exceed the replacement value of the *Glass* or *Sanitary Fittings* at the time of the breakage.

The basis of claim settlement shall be the value of *Glass* or *Sanitary Fittings* or, at the option of the *Insurer*, the cost of repair, replacement or Reinstatement.

The *Insurer* will also pay

- (a) for damage to frames or framework which has to be removed to replace the *Glass*;

- (b) for the cost of necessary boarding-up and the provision of a temporary door, consequent upon the breakage of *Glass*;

- (c) for *Damage* to goods displayed for an amount not exceeding £500 any one *Occurrence*, provided such damage was not a direct result of theft or attempted theft.

The *Insurer* shall not indemnify the *Insured* against

- (a) breakage arising directly from alteration to, or repair or restoration of the *Premises*;
- (b) breakage of *Glass* or *Sanitary Fittings*
  - (i) already damaged at inception of the *Period of Insurance*;
  - (ii) forming part of the *Insured's Stock in Trade*;
- (c) scratching or chipping of *Glass* unless it extends through the complete fabric of the *Glass*;
- (d) breakage caused by wear and tear, any gradually operating cause or the costs of maintenance;
- (e) breakage in respect of any *Unoccupied* building;
- (f) breakage of bulbs or tubes unless consequent upon damage to neon or illuminated signs;
- (g) breakage caused by mechanical or electrical breakdown or the application of electrical energy;
- (h) breakage arising from a *Defined Peril*;
- (i) the first £250 of each and every claim.

## 4 Capital Additions, Alterations and Improvements

The indemnity provided by this Section, in respect of Item A (*Building(s)*) and Item B (*Contents*) of the Property Insured, shall extend to apply to capital additions, alterations and improvements and newly acquired or newly erected *Building(s)* provided that

- (a) the *Insured* shall declare to the *Insurer* the date and value of such capital additions, alterations, improvements and newly acquired and newly erected *Building(s)* at intervals of not more than one month and shall pay an appropriate additional premium calculated from the time such additional cover applies;
- (b) the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the total *Sums Insured* under Items A (*Building(s)*) and B (*Contents*) for the *Premises* at which the *Damage* occurred, or £500,000 whichever is the lesser;
- (c) this Extension does not apply to appreciation in value.

## 5 Changing Locks

The indemnity provided by this Section shall extend to apply to costs incurred by the *Insured*, as a result of the necessary replacement of locks, if any of the keys of the *Premises* are accidentally lost or stolen from the *Premises*, or from the homes of principals, partners, directors or authorised *Employees*, provided that

- (a) if such keys relate to a safe or strongroom they shall not be left on the *Premises* outside the *Insured*'s normal *Business Hours*;
- (b) the maximum amount that will be paid by the *insurer* under this Extension shall not exceed £1,000 in respect of any one *Occurrence*.

The *Excess* as stated in the *Schedule* does not apply in respect of this Extension in so far as the changing of locks is the only part of the claim.

## 6 Contract Price

Should a contract for the sale of goods be cancelled, within its terms, by reason of *Damage* occurring to undelivered goods covered by this Section, the indemnity provided by the *Insurer* will be based upon the contract price for those goods suffering *Damage*. For the purpose of the application of Average the value of all goods sold, but not

delivered, will be calculated upon the contract price for those goods, regardless of whether or not they have suffered *Damage*.

## 7 Customers Goods

Item C (*Stock in Trade*) of the Property Insured shall include goods belonging to, or the legal responsibility of customers, provided that

- (a) the goods are in the *Insured*'s custody for the purpose of the *Insured* undertaking work upon them, or for reasons of storage or despatch, or for other temporary purposes;
- (b) the *Insured* have intimated, prior to any *Damage* occurring, that they will accept responsibility for *Damage* to such goods;
- (c) the *Insurer* shall not indemnify the *Insured* in respect of goods which are more specifically insured elsewhere.

## 8 Deterioration of Stock

The indemnity provided by this Section in respect of Item C (*Stock in Trade*) of the Property Insured shall extend to apply to *Damage* to foodstuffs contained in refrigeration cabinets or compartments (the Refrigeration Equipment) by deterioration or putrefaction caused by

- (a) a change in temperature as a result of a breakdown, stoppage or failure of the Refrigeration Equipment attributable to any intrinsic cause;
- (b) action of refrigerant fumes escaping from the Refrigeration Equipment;
- (c) loss of refrigerant;
- (d) failure of the public supply of electricity or gas due to any cause, other than the deliberate act of the supply authority or the exercise of such authority of its power to withhold or restrict supply.

This Extension is subject to the following

- (i) it is a condition precedent to the liability of the *Insurer* to indemnify the *Insured* that Refrigeration Equipment more than 10

years old shall be maintained under contract with a recognised refrigeration engineer, unless specifically stated to the contrary by Endorsement to this Policy;

- (ii) the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £5,000 in the aggregate in respect of all such *Damage* to foodstuffs occurring during the *Period of Insurance*.

## 9 Dismantling and Re-erection Costs

The indemnity provided by this Section in respect of Item B (*Contents*) of the Property Insured shall include the costs of dismantling, re-erection, re-fitting and re-fixing of machinery and plant following *Damage*.

## 10 Drain Clearing

The indemnity provided by this Section shall extend to apply to reasonable expenses necessarily incurred by the *Insured* in clearing, cleaning or repairing drains, gutters, sewers and the like for which the *Insured* is legally responsible, in consequence of *Damage* to which the insurance by this Section applies. The maximum amount that will be paid by the *Insurer* for such expenses, shall not exceed £10,000 in the aggregate in connection with all *Damage* occurring during the *Period of Insurance*.

## 11 Extinguishment Expenses

The indemnity provided by this Section shall extend to apply to costs reasonably and necessarily incurred by the *Insured* for

- (a) fire brigade charges;
- (b) the refilling of fire extinguishing appliances;
- (c) the replacement of used sprinkler heads;

arising out of *Damage* insured by this Section, provided that the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £10,000 in respect of any one *Occurrence*.

## 12 Landscaped Grounds

The indemnity provided by this Section shall extend to apply to costs necessarily and reasonably incurred by the *Insured* in making good the landscaped grounds of the *Premises* damaged by the Fire Brigade, or any other Emergency Service, in consequence of *Damage* to the Property Insured. The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £10,000 in respect of any one *Occurrence*.

## 13 Loss of Metered Water Charges

The indemnity provided by this Section shall extend to apply to additional metered water charges incurred by the *Insured* following *Damage* insured by this Section, provided that

- (a) the *Insurer* shall not indemnify the *Insured* for any such charges in respect of any *Unoccupied Building(s)*;
- (b) the basis upon which the amount payable is to be calculated shall be, the amount of the water charges for the period during which *Damage* occurs, less the charge made to the *Insured* for the corresponding period in the preceding year, adjusted for changes in the water suppliers' charges and for variations affecting the water consumption of the *Insured* during the intervening period;
- (c) the maximum amount that will be paid by the *Insurer* under this Extension, shall not exceed £10,000 in the aggregate in connection with all *Damage* occurring during the *Period of Insurance*.

## 14 Mortgagees Freeholders and Lessors

Mortgagees, freeholders and lessors shall not be prejudiced by any increase in the risk of *Damage* resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any *Building(s)* insured by this Section, provided that such increase in risk is without their prior knowledge or authority and that the *Insurer* is notified immediately they become aware of such increase in risk.

## 15 Other Interests

Should any of the Property Insured be subject to the terms of a hire purchase, or similar form of agreement, then the interest of such parties is noted in this insurance, and the nature and extent of such interest is to be declared to the *Insurer* in the event of *Damage*.

## 16 Property at Exhibitions

The indemnity provided by this Section, in respect of Item B (*Contents*) and Item C (*Stock in Trade*) of the Property Insured, shall extend to apply to *Damage* occurring during the *Period of Insurance to Property at Exhibition* within the *Territorial Limits*, provided that the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £10,000 any one *Occurrence*.

## 17 European Union and Public Authorities

The indemnity provided by this Section, in respect of *Damage* to Item A (*Building(s)*) or Item B (*Contents*) of the Property Insured, shall include the additional cost of Reinstatement of such property (together with undamaged portions) incurred by the *Insured* solely by reason of the necessity to comply with the Stipulations of

- (a) European Union legislation, or
- (b) building or other regulations under, or framed in pursuance of, any Act of Parliament or the bye-laws of any public authority.

The *Insurer* shall not indemnify the *Insured* against

- (a) the cost incurred in complying with the Stipulations
  - (i) in respect of *Damage* occurring prior to the granting of this Extension;
  - (ii) in respect of *Damage* not insured by this Section;
  - (iii) under which notice has been served upon the *Insured* prior to the happening of the *Damage*;

- (iv) for which there is an existing requirement which has to be implemented within a given period;

- (b) the additional cost that would have been required, to make good the property lost, damaged or destroyed to a condition equal to its condition when new, had the necessity to comply with the Stipulations not arisen;

- (c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by its owner by reason of compliance with any of the Stipulations.

The indemnity under this Extension is granted provided that

- (a) the work of Reinstatement, which may be carried out wholly or partially upon another site (if the Stipulations so necessitate and subject to the liability of the *Insurer* under this Extension not being increased), must be commenced and carried out with reasonable despatch, and in any case must be completed within twelve months of the *Damage* occurring, or within such further time as the *Insurer* may in writing permit (during the course of such twelve months period);

- (b) if the liability of the *Insurer* under any Item of the Property Insured by this Section, apart from this Extension, shall be reduced by the application of any of the terms and conditions of this Section and of the Policy, then the liability of the *Insurer* under this Extension in respect of any such Item shall be reduced in like proportion;

- (c) the total amount recoverable under any Item of the Property Insured shall not exceed

- (i) in respect of the lost, destroyed or damaged Property Insured – its *Sum Insured*;

- (ii) in respect of undamaged portions of property (other than foundations), 15% of the total amount for which the *Insurer* would have provided indemnity had the Property Insured,

by the Item at the *Premises* where the *Damage* has occurred, been wholly destroyed;

(iii) in respect of European Union legislation

(a) 15% of its *Sum Insured*, or

(b) where the *Sum Insured* by the Item applies to property at more than one *Premises*, 15% of the total amount for which the *Insurer* would have provided indemnity, had the Property Insured by the Item at the *Premises* where *Damage* has occurred, been wholly destroyed;

(iv) in respect of building or other regulations under, or framed in pursuance of, any Act of Parliament or the bye laws of any public authority its *Sum Insured*, being part of and not in addition to the *Sum Insured* shown in the *Schedule*.

## 18 Services

Item A (*Building(s)*) and Item B (*Contents*) of the Property Insured shall include telephone, gas, water and electric instruments, meters, pipes, ducts, cables and the like, and the accessories thereof, including similar property in adjoining yards or roadways or underground, being the property of the *Insured* or for which the *Insured* are responsible.

## 19 Temporary Removal

With the exception of Item C (*Stock in Trade*) and Item D (*Rent*), the indemnity provided by this Section shall continue to apply whilst the Property Insured is temporarily removed from the *Premises* for cleaning, renovation, repair or similar purposes elsewhere (including whilst in transit) within the *Territorial Limits*, provided that

(a) this extension shall not apply to any vehicle licensed for road use which has been otherwise included within the Property Insured by this Section;

(b) the maximum amount that will be paid by the *Insurer* under this Extension, in respect

of each item of the Property Insured, shall not exceed 10% of the *Sum Insured* for that item.

## 20 Temporary Removal Computer Records

Any indemnity provided by this Section, in respect of *Computer Records*, shall continue to apply whilst such records are temporarily removed to any premises within the *Territorial Limits* that are not in the *Insured's* occupation (including transit to and from such premises). The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the total value of such records.

## 21 Temporary Removal Documents

Any indemnity provided by this Section, in respect of deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed), shall continue to apply whilst such property is temporarily removed to any premises within the *Territorial Limits* that are not in the *Insured's* occupation (including transit to and from such premises). The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the total value of such property.

## 22 Temporary Repairs

The indemnity provided by this Section in respect of *Buildings* shall include the costs reasonably and necessarily incurred by the *Insured* in making temporary repairs to such buildings and erecting temporary buildings in their place following *Damage*.

## 23 Theft Damage to Buildings

Where *Buildings* are not insured under Item A of the Property Insured, the indemnity provided by this Section shall extend to apply to *Damage* to buildings, for which the *Insured* is legally responsible as a result of theft, or attempted theft, involving forcible and violent entry to or exit from buildings at the *Premises*, provided that

(a) the *Insurer* shall not indemnify the *Insured* in respect of any *Damage* insured elsewhere;

(b) the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed the total of the *Sums Insured* by this Section in respect of the *Premises* concerned.

## 24 Trace and Access

The indemnity provided by this Section in respect of *Damage* caused by an escape of water, or fuel oil, from any tank, apparatus or pipe, shall extend to apply to the costs reasonably and necessarily incurred by the *Insured*

- (a) in locating the source of such escape, and
- (b) the subsequent making good of damage caused as a consequence of locating such source

provided that the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £10,000 in the aggregate in connection with all *Damage* occurring during the *Period of Insurance*.

## 25 Transfer of Interest

If, at the time of *Damage* to any *Building(s)* insured by Item A of the Property Insured, the *Insured* shall have contracted to sell their interest in such *Building(s)*, the indemnity provided by this Section shall extend to the benefit of the purchaser provided that

- (a) completion of the purchase shall not have taken place at the time *Damage* occurs, but does take place subsequently;
- (b) the *Damage* to the *Building(s)* is not otherwise insured by, or on behalf of the purchaser.

## 26 Unauthorised Use of Electricity, Gas or Water

Upon first discovery by the *Insured*, during the *Period of Insurance*, of the unauthorised use of electricity, gas or water by persons taking possession of or occupying the *Premises* without the *Insured's* consent, the indemnity provided by this Section shall extend to apply to the metered cost, for which the *Insured* is legally responsible, arising from such unauthorised use, provided that

(a) the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £10,000 in the aggregate in respect of all unauthorised use discovered during the *Period of Insurance*;

(b) the *Insured* shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

## 27 Workmen

Workmen shall, without prejudice to this insurance, be allowed on the *Premises* for the purpose of carrying out minor repairs, decorations or alterations, provided that the *Insured* controls all works involving heat in accordance with Section Condition 2 (Hot work Precautions).

## Section 1 Special Extensions

Special Extensions 1 and 2 shall apply unless otherwise stated in the *Schedule*. Special Extension 3 shall apply only to those *Premises* for which it is shown in the *Schedule* as being applicable. Each Special Extension shall be subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Special Extension.

### 1 Computer Breakdown

The indemnity provided by this Section shall, regardless of Excepted Cause 3, extend to apply to *Computer Breakdown*.

The following shall also be included in this Extension.

#### (a) Reinstatement of Data

The *Insurer* shall indemnify the *Insured* for costs incurred in reinstating data lost or damaged in consequence of a *Computer Breakdown* to which this Extension applies, provided that

- (i) indemnity is limited solely to the cost of reinstating data onto *Data Media*;
- (ii) the indemnity provided shall not apply to any loss of or damage to data discovered later than 6 months after the occurrence of the *Computer Breakdown*;



occurring during the *Period of Insurance*.

- (iii) the maximum amount that will be paid by the *Insurer* for such costs shall not exceed £25,000 in the aggregate in connection with all *Computer Breakdowns* occurring during the *Period of Insurance*;
- ;
- (iv) the *Insurer* shall not indemnify the Insured in respect of loss of or damage to *Software*;
- (v) the *Insurer* shall not indemnify the *Insured* in respect of costs more specifically insured under the Increased Cost of Working cover detailed below.

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

The *Insurer* shall indemnify the *Insured* for reasonable costs, necessarily incurred by the *Insured*, in minimising or preventing the resulting interruption or interference to the computer operations of the *Insured* following a *Computer Breakdown* to which this Extension applies, provided that the maximum amount that will be paid by the *Insurer* for such costs shall not exceed £25,000 in the aggregate in connection with all *Computer Breakdowns* occurring during the *Period of Insurance*.

#### **(c) Business Interruption**

The *Insurer* shall indemnify the *Insured* against *Consequential Loss* following a *Computer Breakdown* to which this Extension applies and for which indemnity would have been provided by this Policy but for Exception 3 of Section 2 (Business Interruption All Risks), provided that

- (i) Section 2 is otherwise operative;
- (ii) the *Insurer* shall not indemnify the *Insured* under this Extension in respect of Increased Cost of Working, except to the extent provided for by means of paragraph (b) above;
- (iii) the maximum amount that will be paid by the *Insurer* for such loss shall not exceed £50,000 in the aggregate in respect of all *Computer Breakdowns*

#### **(d) Expediting Expenses**

The *Insurer* shall indemnify the *Insured* for the reasonable extra cost of making temporary repairs, and expediting permanent repairs or replacement, in respect of a *Computer Breakdown* to which this Extension applies, provided that the maximum amount that will be paid by the *Insurer* for such costs shall not exceed £10,000 in the aggregate in connection with all *Computer Breakdowns* occurring during the *Period of Insurance*.

#### **(e) Hire of Substitute Item**

The *Insurer* shall indemnify the *Insured* for the reasonable cost of hire charges, necessarily incurred by the *Insured* in consequence of a *Computer Breakdown* to which this Extension applies, for substitute *Computer Equipment* of similar type and capacity, whilst repair work is undertaken, or until permanent replacement of the equipment lost or damaged takes place. The maximum amount that will be paid by the *Insurer* for such hire costs shall not exceed £5,000 in the aggregate in connection with all *Computer Breakdowns* occurring during the *Period of Insurance*.

#### **(f) Loss Avoidance Measures**

The *Insurer* shall indemnify the *Insured* for reasonable costs, necessarily incurred by the *Insured*, to take exceptional measures to prevent or mitigate impending damage to *Computer Equipment* as a result of a *Computer Breakdown* to which this Extension applies, provided that

- (i) *Damage* would reasonably be expected if such measures were not implemented;
- (ii) the *Insurer* is satisfied that damage has been avoided or mitigated by means of the exceptional measures;
- (iii) the amount payable will be limited to the cost of *Damage* which would have otherwise occurred;

- (iv) if *Damage* had occurred it would have resulted in a claim that would have been accepted by the *Insurer* under this Section of the Policy;
- (v) the maximum amount that will be paid by the *Insurer* for such costs shall not exceed £5,000 in the aggregate in respect of all *Computer Breakdowns* occurring during the *Period of Insurance*.

**Additional Conditions  
Computer Breakdown Extension**

**(a) Precautions**

The *Insured* shall exercise due diligence in

- (i) complying with any statute or order;
- (ii) ensuring that insured items are properly maintained and used in accordance with manufacturers' recommendations;
- (iii) taking reasonable precautions to prevent loss or *Damage*.

**(b) Back Up Records**

The *Insured* shall maintain a minimum of two generations of verified back-up computer records, taken at intervals no less frequently than forty eight hours, one copy as a minimum being held off site, and take all reasonable precautions to store and maintain records in accordance with the manufacturers' recommendations.

**Additional Exclusions  
Computer Breakdown Extension**

The *Insurer* shall not indemnify the *Insured* against

- (a) the amount of the *Excess* specified in the *Schedule*, which shall either be the *Excess* applicable under Section 1 (Property Damage All Risks) or Section 2 (Business Interruption All Risks) as appropriate, or £500 whichever is the greater;
- (b) *Damage* recoverable, or which would be recoverable but for breach of the *Insured's*

obligations, under any maintenance agreement, warranty or guarantee;

- (c) *Damage* arising from any *Virus or Similar Mechanism*, or any loss of data (other than as specifically provided for under the heading of Reinstatement of Data earlier or from another cause arising within *Data Media*);

- (d) consequential loss arising from any delay in resuming operations due to the need to reconstruct, or re-input data or programs on *Data Media*, where the *Insured* has not fully complied with Additional Condition 2 (Back Up Records);

- (e) *Damage* arising from

- (i) programming errors or design defects in *Software*, or
- (ii) from the use of *Software* on which development has not been finalised, or that has not passed all testing procedures and has not been successfully proven;

- (f) *Damage* arising from *Computer Breakdown* in respect of any *Computer Equipment* that is prototype, experimental or untried;

- (g) *Damage* arising out of depletion, corrosion, erosion, wear and tear, or other gradually developing conditions, scratching, denting, rust and oxidation, damp and mildew, but this exclusion shall not apply to resultant *Damage* not otherwise excluded;

- (h) *Damage* arising from the wilful act or wilful neglect of the *Insured*;

- (i) *Damage* arising from the failure of the *Insured* to comply with the manufacturers' recommendations for the storage of *Software* and *Data Media*;

- (j) the value to the *Insured* of data stored on the *Computer Equipment*;

- (k) *Damage* arising from the failure or fluctuation of the electricity supply directly or indirectly caused by

- (i) a deliberate act not performed for the sole purpose of safeguarding life or protecting any part of the supply system, or
  - (ii) a scheme of rationing not necessitated by accidental damage to the generating or supply distribution equipment, or
  - (iii) the inability of the supplier to maintain the supply system as a result of industrial action;
- (l) *Damage* arising as a result of the failure of any telecommunications system directly or indirectly caused by the
- (i) use of equipment by the *Insured* that is not approved by the telecommunications supplier; or
  - (ii) deliberate act of any telecommunications supplier in withholding or restricting the operation of the telecommunications system, or the inability of the supplier to maintain the telecommunications system as a result of industrial action;
- (m) professional or other fees incurred in making a claim;
- (n) *Damage* arising as a result of the cleaning, servicing or repair of the *Computer Equipment*;
- (o) consequential loss except as expressly provided for by this Extension.

## 2 Day One Basis (Non Adjustable)

This Special Extension applies to Item A (*Building(s)*) and Item B (*Contents*) unless otherwise stated in the *Schedule*.

- (a) The *Premium* for each Item to which this Special Extension applies has been calculated according to the Declared Value provided by the *Insured*.

Declared Value shall mean the *Insured's* assessment of the cost of reinstatement of each Item of the Property Insured, arrived at in accordance with paragraph (a) of the definition of Reinstatement appearing in

Section Clause 4 (Replacement or Reinstatement) at the level of cost applying at the inception of the *Period of Insurance* (ignoring inflationary factors which may operate subsequently) including, where insured by this Section, an allowance for

- (i) the additional cost of Reinstatement to comply with European and Public Authority requirements (see Section Extension 17);

(ii) *Professional Fees*;

(iii) *Debris Removal*.

- (b) At the inception of the *Period of Insurance*, the *Insured* shall notify the *Insurer* of the Declared Value of the Property Insured for each Item. In the absence of such declaration, the last amount declared by the *Insured* to the *Insurer*, in respect of the preceding period, shall be taken as the Declared Value for the current period.

- (c) Special Provisions (d) and (e) of Section Clause 4 (Replacement or Reinstatement) shall not apply to this Special Extension.

- (d) If, upon the occurrence of *Damage*, the Declared Value of the Property Insured by an Item is less than what the cost of Reinstatement would have been at the inception of the *Period of Insurance* (arrived at as described in paragraph (a) above), then the amount to be paid by the *Insurer* shall be limited to that proportion which the Declared Value bears to the cost of Reinstatement.

- (e) The terms, limits, conditions and exceptions of this Policy shall apply in full to

- (i) any claim payable in respect of reinstatement, other than where expressly varied by this Special Extension and by Section Clause 4;

- (ii) any claim which is to be payable as if this Special Extension and Section Clause 4 had not been incorporated into the Policy, except that the *Sums Insured* shall be limited to 115% of the Declared Value.

(f) The provisions of Section Extension 4 (Capital Additions, Alterations and Improvements) shall not be subject to this Special Extension.

and ground heave of any part of the site on which the Property Insured stands.

### 3 Subsidence Extension

The indemnity provided by this Section shall, regardless of Excepted Cause 6(a) extend to apply to *Damage* caused by subsidence, landslip or ground heave of any part of the site on which the Property Insured stands, provided that

(a) the *Insurer* shall not indemnify the *Insured* against *Damage*

- (i) caused by coastal or river erosion;
- (ii) caused by defective design or workmanship, or the use of defective materials, including inadequate construction of foundations;
- (iii) caused by settlement or movement of made up ground;
- (iv) to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences, unless specifically insured by this Section and a building covered by this section also sustains damage from the same cause at the same time;
- (v) which originated prior to the inception of this cover;
- (vi) resulting from demolition, construction, or the structural repair or alteration of any *Building*, or the undertaking of groundwork or excavation, at the *Premises* where *Damage* insured by this Special Extension has occurred;

(b) the *Insured* shall notify the *Insurer* immediately they become aware of any demolition, groundwork, excavation or construction being carried out on any adjoining site and that the *Insurer* shall then have the right to vary the terms, or cancel the cover provided by this Special Extension.

The General Policy Definition of *Defined Peril* shall extend to include subsidence, landslip

## SECTION 2

### BUSINESS INTERRUPTION ALL RISKS

#### The Cover

The *Insurer* will indemnify the *Insured* against *Consequential Loss* arising from an *Incident* occurring during the *Period of Insurance*.

#### Material Damage Insurance Provision

The indemnity provided by this Section shall only apply if, at the time the *Incident* occurs, there is an insurance in force which covers the interest of the *Insured* in the *Building(s)* or property at the *Premises* against *Damage* and in respect of which

- (a) payment shall have been made, or liability admitted for payment by such insurance, or
- (b) payment would have been made, or liability admitted for payment by such insurance, but for an exclusion of liability for losses below a specified amount.

#### Auditor's Fees

The *Insurer* will also indemnify the *Insured* in respect of *Auditor's Fees* incurred by the *Insured* in respect of a claim.

#### Limit of Liability

The liability of the *Insurer* during the *Period of Insurance* shall not (inclusive of *Auditor's Fees*) exceed the *Sum Insured* in respect of each individual Item, subject to any other limit of liability stated herein or in the *Schedule*.

#### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

#### Item A Gross Profit

The insurance under this Item is limited to loss of *Gross Profit* due to

- (a) Reduction in *Turnover*, and
- (b) Increase in Cost of Working.

The amount payable by the *Insurer* as indemnity in respect of this Item shall be

1) in respect of Reduction in *Turnover*, the sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* shall, in consequence of the *Incident*, fall short of the *Standard Turnover*; and

2) in respect of Increase in Cost of Working, the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or diminishing the reduction in *Turnover* which, but for that expenditure, would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the sum produced by applying the *Rate of Gross Profit* to the amount of the reduction avoided

less any sum saved during the *Indemnity Period* in respect of such of the charges and expenses of the *Business*, payable out of *Gross Profit*, as may cease or be reduced in consequence of the *Incident*.

#### Special Condition to Item A – Underinsurance

If the *Sum Insured* under this Item is less than the sum produced by applying the *Rate of Gross Profit* to the *Annual Turnover* (or proportionate to a multiple thereof where the *Indemnity Period* exceeds twelve months), the amount payable by the *Insurer* shall be proportionately reduced.

#### Special Provisions to Item A

1) The *Rate of Gross Profit*, *Standard Turnover* and *Annual Turnover* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in, or other circumstances affecting the *Business* (either before or after the date of the *Incident*), or which would have affected the *Business* had the *Incident* not occurred, so that the figures adjusted shall represent as nearly as reasonably practicable the results which, but for the *Incident*, would have been obtained during the relative period after the date of the *Incident*.

2) If any standing charges of the *Business* are not insured by this Section (having been deducted in arriving at the *Gross Profit*) then, in computing the amount recoverable as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the *Gross Profit* bears to

the sum of the *Gross Profit* and the *Uninsured Working Expenses*.

- 3) The premium paid for Item A may be adjusted on receipt, by the *Insurer*, of a declaration of *Gross Profit* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to a claim for loss of *Gross Profit*, such declaration shall be increased, for the purposes of Premium Adjustment, by the amount which the *Gross Profit* was reduced during the financial year solely in consequence of the *Incident*.
- 4) If the declaration (adjusted as above and proportionately increased where the *Indemnity Period* exceeds twelve months) is less than the *Gross Profit Sum Insured* for the relative *Period of Insurance*, the *Insurer* will allow a pro rata return premium not exceeding 25% of the premium paid.

#### **Item B Revenue**

The insurance under this Item is limited to

- (a) Loss of *Revenue*, and
- (b) Increase in Cost of Working.

The amount payable by the *Insurer* as indemnity in respect of this Item shall be

- 1) in respect of Loss of *Revenue*, the amount by which the *Revenue* during the *Indemnity Period* shall, in consequence of the *Incident*, fall short of the *Standard Revenue*, and
- 2) in respect of Increase in Cost of Working, the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or diminishing the reduction in *Revenue* which, but for that expenditure, would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the amount of the reduction in *Revenue* avoided

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

#### **Special Condition to Item B – Underinsurance**

If the *Sum Insured* under this Item is less than the *Annual Revenue* (or proportionate to a multiple thereof where the *Indemnity Period* exceeds twelve months), the amount payable by the *Insurer* shall be proportionately reduced.

#### **Special Provisions to Item B**

- 1) *Annual Revenue* and *Standard Revenue* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in, or other circumstances affecting the *Business* (either before or after the date of the *Incident*), or which would have affected the *Business* had the *Incident* not occurred, so that the figures adjusted shall represent as nearly as may be reasonably practicable the results which, but for the *Incident*, would have been obtained during the relative period after the date of the *Incident*.
- 2) The premium paid for Item B may be adjusted on receipt, by the *Insurer*, of a declaration of *Revenue* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to a claim for loss of *Revenue*, such declaration shall be increased, for the purposes of premium adjustment, by the amount by which the *Revenue* was reduced during the financial year solely in consequence of the *Incident*.
- 3) If the declaration (adjusted as above and proportionately increased where the *Indemnity Period* exceeds twelve months) is less than the *Revenue Sum Insured* for the relative *Period of Insurance*, the *Insurer* will allow a pro rata return premium not exceeding twenty 5 % of the premium paid.

#### **Item C Additional Expenditure**

The insurance under this Item is limited to the additional expenditure necessarily and reasonably incurred by the *Insured*, with the prior consent of the *Insurer*, in order to prevent or minimise the interruption of, or interference with the *Business* during the *Indemnity Period* in consequence of the *Incident* (including the cost of removal to and from temporary premises and expenses incidental thereto, increase in rents, rates and taxes, salaries of

additional staff and overtime payments), but only in so far as such additional expenditure is not recoverable under any other Item of this Policy.

#### **Item D Book Debts**

The insurance under this Item is limited to loss resulting from the *Insured's* inability to trace or establish *Outstanding Debit Balances* following *Damage* to the *Insured's* books of account, or other *Business* books or records, at the *Premises*.

The amount payable by the *Insurer* as indemnity for any one *Occurrence* in respect of this Item shall be

- (a) the difference between the *Outstanding Debit Balances* and the total of the amounts received or traced in respect thereof, and
- (b) the additional expenditure necessarily and reasonably incurred, with the prior consent of the *Insurer*, for the sole purpose of tracing and establishing customers' debit balances after *Damage*

provided that, if the *Sum Insured* under this Item is less than the *Outstanding Debit Balances*, the amount payable shall be proportionately reduced.

The *Insurer* shall not indemnify the *Insured* for any loss or expenditure arising from bad debts or erasure, distortion or corruption, or deliberate falsification, of *Business* records.

#### **Special Condition to Item D – Records**

The *Insured* shall maintain an up-to-date monthly record of all *Outstanding Debit Balances* and shall

- (a) keep such record in fire-resisting safe(s) or fire-resisting cabinet(s) when not in use, or
- (b) keep a duplicate record in a building separate from that in which the working record is kept.

#### **Item E Loss of Rent Receivable**

The insurance under this Item is limited to

- (a) Loss of *Rent Receivable*, and
- (b) Increase in Cost of Working.

The amount payable by the *Insurer* as indemnity in respect of this Item shall be

- 1) in respect of Loss of *Rent Receivable*, the amount by which the *Rent Receivable* during the *Indemnity Period* shall, in consequence of the *Incident*, fall short of the *Standard Rent Receivable*, and
- 2) in respect of Increase in Cost of Working, the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or diminishing the reduction in *Rent Receivable* which, but for that expenditure, would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the amount of the reduction in *Rent Receivable* avoided

less any sum saved during the *Indemnity Period* in respect of such of the charges and expenses of the *Business*, payable out of *Rent Receivable*, as may cease or be reduced in consequence of the *Incident*.

#### **Special Condition to Item E – Underinsurance**

If the *Sum Insured* under this Item is less than the *Annual Rent Receivable* (or proportionate to a multiple thereof where the *Indemnity Period* exceeds twelve months), the amount payable by the *Insurer* shall be proportionately reduced.

#### **Special Provisions to Item E**

- 1) The premium paid for Item E may be adjusted on receipt, by the *Insurer*, of a declaration of *Rent Receivable* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to a claim for loss of *Rent Receivable*, such declaration shall be increased, for the purpose of premium adjustment, by the amount which the *Rent Receivable* was reduced during the financial year solely in consequence of the *Incident*.
- 2) If the declaration (adjusted as provided for above and proportionately increased where the *Indemnity Period* exceeds twelve months) is less than the *Rent Receivable Sum Insured* for the relative *Period of Insurance*, the *Insurer* will allow a pro rata return premium not exceeding 25% of the premium paid.

## Section 2 Exceptions

### Excluded Causes

The *Insurer* shall not indemnify the *Insured* against *Consequential Loss*

1) arising from an *Incident* caused directly by or consisting of

(a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, or the Building's or property's own faulty or defective design or materials;

(b) faulty or defective workmanship, or operational error or omission, on the part of the *Insured* or any of their *Employees*;

(c) the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;

(d) explosion occasioned by the bursting of any boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the *Insured*;

but this shall not exclude *Consequential Loss* arising from a subsequent incident which itself results from a cause not otherwise excluded;

2) arising from an *Incident* caused directly by or consisting of

(a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light or atmosphere, marring, scratching, dust, chemical action or reaction, pets, vermin or insects;

(b) change in temperature, colour, flavour, texture or finish;

(c) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of connected steam and feed piping;

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

but this shall not exclude

(i) such *Consequential Loss* arising from an *Incident* which itself results from a *Defined Peril*, or from any other accidental loss or *Damage* not otherwise excluded;

(ii) *Consequential Loss* arising from a subsequent *Incident* which itself results from a cause not otherwise excluded;

3) arising from an *Incident* caused directly by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates;

but this shall not exclude

(a) *Consequential Loss* arising from *Damage* to surrounding property, not forming part of the same machine, apparatus or equipment;

(b) such *Consequential Loss* arising from an *Incident* which itself results from a *Defined Peril*, or from any other accidental loss or *Damage* not otherwise excluded;

(c) *Consequential Loss* arising from a subsequent *Incident* which itself results from a cause not otherwise excluded;

4) arising from an *Incident* caused directly by theft or attempted theft unless

(a) involving forcible and violent entry to or exit from *Building(s)* at the *Premises*;

(b) involving assault or violence, or threat of assault or violence, to the *Insured*, or any partner, director or employee of the *Insured*, or to members of their families, or any other person lawfully on the *Premises*;

5) arising from an *Incident* caused directly by or consisting of

(a) subsidence, ground heave or landslip, unless resulting from fire, explosion,



- earthquake or the escape of water from any tank, apparatus or pipe;
- (b) normal settlement or bedding down of new structures;
- 6) arising from an *Incident* caused directly by or consisting of
- (a) an act of fraud or dishonesty by the *Insured* or any partner, director or *Employee* of the *Insured*, or by members of their families or any other person to whom property has been entrusted;
- (b) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
- (c) erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software*
- (i) caused deliberately by rioters, strikers, locked out workers, persons taking part in labour disturbances or civil commotion, or by malicious persons; or
- (ii) other erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software*, unless resulting from a *Defined Peril* not otherwise excluded;
- 7) arising from *Damage* to buildings or structures caused directly by their own collapse or cracking, unless resulting from a *Defined Peril* not otherwise excluded;
- 8) arising from *Damage* to moveable property in the open, or in open sided buildings or contained in *Outbuildings*, or to fences and gates caused directly by
- (a) theft or attempted theft;
- (b) wind, rain, hail, sleet, snow, flood or dust;
- 9) arising from *Damage* caused directly by fire resulting from property undergoing any process involving the application of heat;
- 10) arising from *Damage* (other than by fire) to property resulting from it undergoing any process of
- (a) production;
- (b) packing, treatment, testing, cleaning, commissioning, servicing, repair or any other process;
- but this shall not exclude *Consequential Loss* arising from *Damage* to surrounding property not forming part of
- (i) the machinery performing such process;
- (ii) the same process of production;
- (iii) the same process of packing, treatment, testing, commissioning, cleaning, servicing, repair or other process;
- 11) arising from an *Incident* caused directly by or consisting of the solidification of molten material, unless resulting from a *Defined Peril* not otherwise excluded;
- 12) arising from an *Incident* in respect of any *Unoccupied* building
- (a) caused directly by escape of water from any tank, apparatus or pipe;
- (b) caused directly (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
- (c) caused directly by freezing;
- (d) caused directly by theft or attempted theft;
- 13) arising from an *Incident* caused directly by, or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property;
- 14) arising from *Damage* attributable solely to change in the water table level;
- 15) arising from *Damage* to
- (a) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
- (b) *Glass* or *Sanitary Fittings*;

(c) other glass or glassware, china, earthenware, marble, statuary or other fragile or brittle objects;

unless resulting from a *Defined Peril* not otherwise excluded;

- 16) arising from *Damage to Computer Equipment* unless resulting from a *Defined Peril*, or theft or attempted theft, not otherwise excluded;
- 17) arising from *Damage* to property or structures in course of construction or erection or to materials or supplies in connection therewith;
- 18) *arising from Damage* to
  - (a) land, roads, pavements, piers, jetties, bridges, culverts or excavations;
  - b) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
  - c) livestock, growing crops or trees.

## Section 2 Clauses

### 1 Value Added Tax

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

### 2 Current Cost Accounting Adjustments

For the purpose of any Definitions applicable to this Section, any adjustment implemented in current cost accounting shall be disregarded.

### 3 Financial Terminology

The undefined words in this Section shall, in regard to financial matters, have the meaning usually attached to them in the *Insured*'s books and accounts.

## Section 2 Conditions

### 1 Accumulated Stock

In adjusting any loss, account shall be taken, and an equitable allowance made, if any reduction in *Turnover* due to the *Incident* is

postponed by reason of the *Turnover* being temporarily maintained from accumulated stocks of finished goods.

### 2 Alternative Trading

If, during the *Indemnity Period*, goods shall be sold or services rendered elsewhere than at the *Premises* for the benefit of the *Business*, either by or on behalf of the *Insured*, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the *Turnover* during the *Indemnity Period*.

### 3 Departmental Clause

If the *Business* is conducted in departments, the independent results of which are ascertainable, the cover in respect of Reduction in *Turnover*, Loss of *Revenue* and Loss of *Rent Receivable* (including Increase in Cost of Working) shall apply separately to each department affected by the *Incident*.

If the *Sum Insured* for the Item concerned is less than the aggregate of the sums produced for each department of the *Business* (whether affected by the *Incident* or not)

(a) by applying the *Rate of Gross Profit* to the *Annual Turnover*, or

(b) in respect of *Annual Turnover*, or

(c) in respect of *Annual Rent Receivable*

whichever is the more appropriate for the Item, the amount payable by the *Insurer* shall be proportionately reduced.

### 4 Due Diligence

In the event of an *Incident* that may give rise to a claim under this Section, the *Insured* shall with due diligence take all steps that are reasonably practicable to avoid or minimise any interruption of or interference with the *Business*.

### 5 First Twelve Months Trading

In the event of a claim arising from an *Incident* occurring before the completion of the first twelve months trading of the *Business* at the *Premises*, any terms in the Definitions referring to *Turnover* or *Revenue* during a

prior period of twelve months shall be adjusted so as to apply to the *Turnover*, or *Revenue* during the period from commencement of the *Business* to the date of the *Incident*.

## 6 Payments on Account

Payments on account shall be made by the *Insurer* to the *Insured* during the *Indemnity Period* if required.

## 7 Salvage Sale

If, following an *Incident* giving rise to a claim under this Section, the *Insured* shall hold a salvage sale during the *Indemnity Period*, Paragraph 1 of Item A (Gross Profit) shall, for the purpose of such claim, be amended to read as follows:

“in respect of Reduction in *Turnover*, the sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* (less the *Turnover* for the period of the salvage sale) shall, in consequence of the *Incident*, fall short of the *Standard Turnover*, from which sum shall be deducted the *Gross Profit* actually earned during the period of the salvage sale”.

## Section 2 Extensions

Unless otherwise stated in the *Schedule* (or by endorsement to the Policy), the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

### Applicable to Items A and B only

#### 1 Declaration Linked

(a) The Limit of Liability is replaced by the following:

The liability of the *Insurer* during the *Period of Insurance* shall not (inclusive of *Auditor's Fees*) exceed

(i) in respect of Item A (Gross Profit) or Item B (Revenue), 133⅓% of the *Estimated Gross Profit* or *Estimated Revenue* shown in the *Schedule*, and

(ii) 100% of the *Sum Insured* in respect of each other Item insured.

(b) The Special Condition relating to Underinsurance is deleted in respect of Items A and B.

(c) Extension 6 (Reinstatement of Limit) shall apply to this Extension, however the liability of the *Insurer* in respect of any one *Incident*, as expressed in that extension, is amended such that it shall not exceed the sums expressed in paragraph (a) above.

(d) The premium in respect of Item A or Item B is provisional and based upon the *Estimated Gross Profit* or the *Estimated Revenue* respectively. The *Insured* shall provide the *Insurer*, not later than six months after the expiry of the *Period of Insurance*, a declaration affirmed by the *Insured's* auditors of the actual *Gross Profit* or *Revenue* earned during the financial year most nearly concurrent with the *Period of Insurance*.

If any *Incident* shall have occurred giving rise to a claim for loss of *Gross Profit*, or loss of *Revenue*, then the *Insured's* declaration shall be increased, for the purposes of premium adjustment, by the amount by which the *Gross Profit* or *Revenue* was reduced during the financial year solely in consequence of the *Incident*.

If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds twelve months)

(i) is less than the *Estimated Gross Profit*, or *Estimated Revenue* where appropriate, for the relative *Period of Insurance*, the *Insurer* shall allow a pro rata return of the premium paid in respect of Item A or Item B, but not exceeding 25% of such premium;

(ii) is greater than the *Estimated Gross Profit*, or *Estimated Revenue* where appropriate, for the relative *Period of Insurance*, the *Insured* shall pay a pro rata addition to the premium paid in respect of Item A or Item B.

(e) The *Insured* shall, prior to renewal of this insurance, furnish the *Insurer* with the *Estimated Gross Profit*, or the *Estimated Revenue* where appropriate, for the financial year most nearly concurrent with the next *Period of Insurance*.

## 2 Denial of Access

The indemnity provided by this Section shall extend to apply to *Consequential Loss* arising from accidental *Damage* to any property, within 250 metres of the *Premises*, which prevents or hinders the use of, or access to the *Premises* (regardless of whether the Property Insured at the *Premises* suffers *Damage*). The maximum amount that will be paid by the *Insurer* under this Special Extension shall not exceed £100,000 unless otherwise stated in the *Schedule*.

## 3 Disease, Infestation and Defective Sanitation

The indemnity provided by this Section shall extend to apply to *Consequential Loss* arising from the occurrence at the *Premises* of

- (a) murder, suicide, or food or drink poisoning;
- (b) a notifiable human, infectious or contagious disease (other than Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) that is required by law to be reported to government authorities
- (c) vermin or pests;
- (d) an accident causing a defect in the drains or sanitary apparatus;

which results in closure or causes restrictions on the use of the *Premises* by order of any person or authority holding the appropriate statutory power.

The maximum amount that will be paid by the *Insurer* under this Special Extension shall not exceed 10% of the total *Sum Insured* under this Section, or £100,000 whichever is the lesser, unless otherwise stated in the *Schedule*.

## 4 Property Stored

The indemnity provided by Items A (Gross Profit), B (Revenue) and C (Additional Expenditure) shall extend to apply to *Consequential Loss* arising from accidental *Damage* to any of the *Insured's* property whilst stored anywhere in the *Territorial Limits*, other than at any *Premises* in the occupation of the *Insured*.

The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the total *Sum Insured* under this Section, or £100,000 whichever is the lesser, unless otherwise stated in the *Schedule*.

## 5 Public Utilities – Providers' Premises

The indemnity provided by this Section shall extend to apply to *Consequential Loss* arising from accidental *Damage* to *Property* at the premises of the following public utilities, occurring within the *Territorial Limits*, from which the *Insured* obtains supplies or services

- (a) any generating station, or sub-station of the public electricity supply undertaking from which the *Insured* obtains electricity;
- (b) any land-based premises of the public gas supply undertaking, or of any natural gas producer linked directly with such undertaking, from which the *Insured* obtains gas;
- (c) any water works, or pumping station of the public water supply undertaking from which the *Insured* obtains water;
- (d) any land-based telecommunication services to the *Premises*.

The indemnity under this Extension is granted provided that

- (a) the *Insurer* shall not indemnify the *Insured* against *Consequential Loss* arising from a partial or total failure occasioned by a strike or any other kind of industrial action;
- (b) the maximum amount that will be paid by the *Insurer* under this Special Extension shall not exceed 10% of the total *Sum Insured* under this Section, or £100,000

whichever is the lesser, unless otherwise stated in the *Schedule*.

## Section 2 Special Extension

### Subsidence

If Section 1 of this Policy is operative and by virtue of the full terms of Special Extension 3 to that Section cover in respect of subsidence has been included, then Exception 5(a) of this Section shall not apply.

## 6 Unspecified Customers

The indemnity provide by this Section shall extend to apply to *Consequential Loss* arising from accidental *Damage to Property*, occurring within the *Territorial Limits*, at the premises of any of the *Insured's* customers.

The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the total *Sum Insured* under this Section, or £100,000 whichever is the lesser, unless otherwise stated in the *Schedule*.

## 7 Unspecified Suppliers

The indemnity provided by this Section shall extend to apply to *Consequential Loss* arising from accidental *Damage to Property* occurring, within the *Territorial Limits*, at the premises of any of the *Insured's* suppliers, manufacturers, or processors of components, goods or materials provided that

(a) this Special Extension shall not apply to *Property* at the premises or facilities of any supply undertaking from which the *Insured* obtains electricity, gas, water or telecommunication services;

(b) the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the total *Sum Insured* under this Section, or £100,000 whichever is the lesser, unless otherwise stated in the *Schedule*.

### Applicable to all Items

## 8 Reinstatement of Limit

In consideration of the liability of the *Insurer* for any Item not being reduced by the amount of a *Consequential Loss*, the *Insured* undertakes to pay the appropriate additional premium on the amount of the loss from the date of the *Incident* to the expiry of the *Period of Insurance*. The liability of the *Insurer* in respect any one *Incident* shall not exceed, in respect of each Item, the *Sum Insured* for that Item.

## SECTION 3 - BUSINESS EQUIPMENT ALL RISKS

### The Cover

The *Insurer* will indemnify the *Insured* against accidental *Damage*, occurring during the *Period of Insurance* and within the Geographical Limits specified in the *Schedule*, to Business Equipment belonging to the *Insured*, or for which the *Insured* is legally responsible.

### Limit of Liability

The liability of the *Insurer* during the *Period of Insurance* shall not exceed the limit in respect of each Item or any other limit of liability as stated in the *Schedule*.

### Basis of Settlement

The amount payable shall be the cost of repair, reinstatement or replacement of the Business Equipment as new, without deduction for wear and tear, to a condition equivalent to or substantially the same as, but not better or more extensive than, its condition when new.

No payment will be made by the *Insurer* however until repair, reinstatement or replacement has been effected.

### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

## Section 3 Exceptions

### Excepted Causes

The *Insurer* shall not indemnify the *Insured* against

1) *Damage* caused directly by or consisting of

- (a) inherent vice, latent defect, gradual deterioration, wear and tear, or the Business Equipment's own faulty or defective design or materials;
- (b) faulty or defective workmanship, or operational error or omission, on the part of the *Insured* or any of their *Employees*;

but this shall not exclude subsequent *Damage* which itself results from a cause not being an Excepted Cause or otherwise excluded;

2) *Damage* caused directly by or consisting of

- (a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light or atmosphere, frost, marring, scratching, dust, chemical action or reaction, pests, vermin or insects;
- (b) change in temperature, colour, flavour, texture or finish;
- (c) mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates;

but this shall not exclude

- (i) such *Damage* which results from a *Defined Peril*, or from any other cause not being an Excluded Cause or otherwise excluded;
- (ii) subsequent *Damage* which itself results from a cause not being an Excluded Cause or otherwise excluded;

3) *Damage* caused directly by or consisting of

- (a) an act of fraud or dishonesty by the *Insured*, or any partner, director or employee of the *Insured*, or by members of their families or any other person to whom the Business Machine has been entrusted;
- (b) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
- (c) any process of fitting, testing, servicing, repair, renovation or adjustment.

### Excepted Property

The *Insurer* shall not indemnify the *Insured* against

- 1) *Damage* to any Business Equipment in the open caused directly by wind, rain, hail, sleet, snow, or flood;

- 2) *Damage* to Business Equipment whilst it is operational, being worked upon, or undergoing maintenance, repair, restoration or testing;
- 3) *Computer Records or Software*;
- 4) any amount exceeding GBP 5,000 in respect of any one item of Business Equipment whilst away from the *Premises*, unless such item is individually specified in the Schedule.

### Section 3 Conditions

#### 1 Warranties and Conditions Precedent to the Liability of the Insurer

Where any of the Property Insured at the *Premises* insured by Section 1 is, or may be made subject to any warranty or condition precedent to liability, then this shall also be deemed to apply in like manner under Section 3 in the event of *Damage* to Business Equipment occurring at such *Premises*.

#### 2 Unattended Vehicles

It is a condition precedent to the liability of the *Insurer* that

- (a) when any vehicle is left *Unattended*
  - (i) all windows and doors are closed;
  - (ii) all locks and other security devices are in actual and complete operation;
  - (iii) the keys are removed from the vehicle;
- (b) no *Unattended* vehicle shall be left loaded *Overnight*, unless in a locked building, or in a locked, or continuously supervised, public garage or vehicle compound with locked gates. The onus of proving that the loss, destruction or damage did not occur *Overnight* shall be upon the *Insured*.

## SECTION 4 – MONEY & PERSONAL ACCIDENT ASSAULT

### PART A MONEY

#### The Cover

The *Insurer* will indemnify the *Insured* against accidental loss, occurring during the *Period of Insurance*, of

- 1) current coinage and other negotiable instruments (as listed in paragraph (a) of the General Definition of *Money*) whilst in
  - (a) the *Premises* during *Business Hours*;
  - (b) transit within the *Territorial Limits* or in any bank night safe;
  - (c) a locked safe (the details of which have been notified to and agreed by the *Insurer*) at the *Premises* outside *Business Hours*, provided that the keys or any record of the safe combination are removed from the *Premises* and held in the personal custody of an authorised *Insured Person*;
  - (d) the *Premises* outside *Business Hours* and not in a locked safe;
  - (e) the personal custody of the *Insured*, or an authorised *Insured Person*, in their private residence, or in transit between such residence and the *Premises*;
- 2) crossed cheques and other non-negotiable instruments (as listed in paragraph (b) of the General Definition of *Money*) whilst within the *Territorial Limits*.

#### Limit of Liability

The liability of the *Insurer* shall not exceed the limits stated in the *Schedule* or any other limit of liability as stated herein.

#### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

## Section 4 Part A Exceptions

The *Insurer* shall not indemnify the *Insured* against any loss of *Money*

- 1) caused by fraud or dishonesty of any *Insured Person*, or member of their family or household, unless discovered and reported to the Police and the *Insurer* in writing within fourteen days of discovery of the loss;
- 2) due to shortages from accounting, or mysterious or unexplained disappearances, or other error or omission, depreciation in value, counterfeit money or dishonoured cheques;
- 3) from an *Unattended* vehicle;
- 4) from the *Premises* outside of *Business Hours*, unless all keys, duplicate keys and combination codes to safes, strongrooms, cash boxes, drawers or filing cabinets from which *Money* was taken, were removed from the *Premises* at the time of loss;
- 5) from any machine operated by coins, bank notes or credit cards;
- 6) whilst in the custody of a specialist independent security company, unless
  - (a) the *Insured* have provided the *Insurer* with a copy of the agreement with the security company and the *Insurer* have in writing that cover shall apply to *Money* carried by such company;
  - (b) the written agreement of the *Insurer* has been obtained should any subsequent changes be made to such agreement;
  - (c) the *Insured* have complied with the terms of such agreement.

## Section 4 Part A Conditions

The following conditions shall be precedent to the liability of the *Insurer*.

### 1 Tills and Cash Registers

Any till or cash register on the *Premises* is left open and unlocked, and empty of *Money* outside *Business Hours*.

## 2 Accompanying Money in Transit

*Money* in transit in excess of £2,500 any one transit, must be accompanied in accordance with the amounts and number of persons detailed as follows

- (a) *Money* in transit of value between £2,501 and £5,000 must be accompanied by two able bodied adults;
- (b) *Money* in transit of value between £5,001 and £10,000 must be accompanied by three able bodied adults;
- (c) *Money* in transit value in excess of £10,000 must be carried by an independent specialist security company.

## 3 Records

A complete record is kept of all *Money* held by the *Insured*.

## 4 Credit Cards

The *Insured*, upon becoming aware of a loss of any credit card, shall give immediate notice to the organisation which issued the card.

## Section 4 Part A Extensions

Unless otherwise stated in the *Schedule* (or by endorsement to the Policy), the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

### 1 Damage to Safes, Strongrooms, Cash Registers Etc.

The *Insurer* will indemnify the *Insured* against *Damage* to safes, strongrooms, tills, cash registers, franking machines and special money-carrying cases occurring during the *Period of Insurance* and resulting from the theft or attempted theft of *Money*.

### 2 Fraudulent Use of Credit Cards

The *Insurer* will indemnify the *Insured* against loss arising from the fraudulent use, during the *Period of Insurance*, by any unauthorised person, other than an employee of the *Insured*, of any credit card issued to the *Insured* for use



in the *Insured's Business*. The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £1,000 in respect of any one *Occurrence* and £5,000 in the aggregate during the *Period of Insurance*.

## SECTION 4

### PART B PERSONAL ACCIDENT ASSAULT

#### The Cover

The *Insurer* shall pay Compensation in the event of any *Insured Person* sustaining accidental bodily injury as the direct result of *Assault* occurring, in the course of their duties in the *Business*, during the *Period of Insurance* within the *Territorial Limits*.

#### Compensation Payable

The amount of Compensation payable per person by the *Insurer* shall be

- 1) Death – the Capital Sum amount stated in the *Schedule*;
- 2) *Permanent Total Disablement* - the Capital Sum amount stated in the *Schedule*;
- 3) *Loss of Limb(s)* or *Loss of Sight* - the Capital Sum amount stated in the *Schedule* (the Capital Sum will be the maximum amount paid per person regardless of the number of limbs or eyes lost);
- 4) *Temporary Total Disablement* – the weekly amount stated in the *Schedule* payable for a maximum of 104 weeks, not necessarily consecutive, from the date of the injury.

#### Section 4 Part B Exceptions

The *Insurer* shall not make any payment

- 1) in respect of any person under 16 or over 65 years of age at the commencement of the *Period of Insurance*;
- 2) in respect of death, bodily injury, disablement or medical expenses resulting from, or contributed to by any pre-existing medical condition, infirmity or disease which was known either to the *Insured*, or the *Insured Person*, at the commencement of the *Period of Insurance*;

- 3) in respect of bodily injury which arises directly or indirectly from, or in connection with, or is aggravated by sickness or disease, or any gradually operating cause, naturally occurring condition or degenerative process.

#### Section 4 Part B Conditions

- 1) Compensation shall not be payable for any one *Insured Person*, under more than one of the Compensation items 1 to 3, in connection with the same occurrence of bodily injury.
- 2) Compensation shall not be payable until the total amount of Compensation has been agreed by the *Insurer*. The *Insurer* may however, at their discretion and upon request by the *Insured*, pay any weekly Compensation due at intervals in arrears of not less than four weeks.
- 3) In the event of any bodily injury, the *Insured Person* must place themselves under the care of a qualified medical practitioner and act upon medical or surgical advice as soon as practicable.
- 4) The *Insured* shall notify the *Insurer*, within seven days of an *Assault* occurring. All certificates, evidence and information reasonably required by the *Insurer*, shall be obtained at the *Insured's* own expense.
- 5) The *Insured Person* shall, at the request of the *Insurer* and as often as reasonably required, submit to medical examination at the expense of the *Insurer*.
- 6) Compensation shall only be paid by the *Insurer* on production of appropriate evidence from a qualified medical practitioner and, in the event of Death of an *Insured Person*, the *Insurer* shall be entitled to have a post mortem examination performed.
- 7) Any weekly Compensation payable by the *Insurer* shall not exceed the *Insured Person's* pre-injury weekly earnings from the *Business*.
- 8) Total Disablement (as described under the General Policy Definition for *Temporary Total Disablement*) shall have lasted for 104 weeks and shall have been proved to the *Insurer's* satisfaction to be permanent and without expectation of recovery before the Capital Sum becomes payable in respect of *Permanent Total Disablement*.

## Section 4 Part B Extensions

Unless otherwise stated in the *Schedule*, the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

### 1 Medical Expenses

The *Insurer* shall pay any medical expenses incurred by the *Insured Person*, following an *Assault* for which cover is provided by this Section, but not exceeding 15% of the Compensation payable.

### 2 Personal Clothing

The *Insurer* shall pay, as new, for *Damage* to clothing of the *Insured Person* as a result of an *Assault* for which cover is provided by this Section, but not exceeding £250 per person.

## SECTION 5 - GOODS IN TRANSIT

### The Cover

The *Insurer* will indemnify the *Insured* against accidental *Damage*, occurring during the *Period of Insurance*, to *Insured Goods* whilst in *Transit*.

### Limit of Liability

The liability of the *Insurer* shall not exceed the limits stated in the *Schedule* or any other limit stated herein.

### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

### Section 5 Exceptions

#### Excepted Causes

The *Insurer* shall not indemnify the *Insured* against *Damage* caused directly by or consisting of

- 1) inherent vice, or latent vice or defect;
- 2) vibration, defective packing, denting, scratching or bruising, vermin or insects;
- 3) mechanical or electrical breakdown, derangement, defect or failure;
- 4) variation in temperature, or loss of refrigerant or controlled atmosphere, unless caused by collision or overturning of the conveying vehicle;
- 5) atmospheric or climatic conditions;
- 6) temporary housing of the *Insured Goods* in course of *Transit* for the purpose of storage, making-up, packing or processing;
- 7) delay or inadequate documentation;
- 8) inventory shortages or mysterious or unexplained disappearances;
- 9) theft or attempted theft of the *Insured Goods* from open backed, soft sided or soft topped vehicles;
- 10) the dishonesty of any person to whom the *Insured Goods* have been entrusted;

- 11) packing which was inadequate to withstand normal handling during *Transit* ;
- 12) loss of market, loss of profit, loss of use and consequential loss or damage of any kind.

- (ii) all locks and other security devices are in actual and complete operation;
- (iii) the keys are removed from the vehicle;

### Excepted Property

The *Insurer* shall not indemnify the *Insured* in respect of *Damage* to

- 1) wines, spirits, perfumes or tobacco products;
- 2) cameras, photographic equipment, binoculars, *Computer Equipment*, or radio, television, audio, or video equipment;
- 3) jewellery, watches, clocks, precious metals or stones, furs or clothing;
- 4) *Money*, any kind of securities for money, deeds or other documents;
- 5) antiques, works of art or rare books;
- 6) glass, china, earthenware, marble, statuary or other items of a fragile or brittle nature, unless *Damage* arises as a direct result of fire, theft, collision or overturning of the conveying vehicle;
- 7) livestock, wildlife or exotic creatures;
- 8) dangerous goods as defined in the current standard conditions of the Road Haulage Association (including, but not limited to explosives, acids, chemicals and gases);
- 9) *Computer Records*;
- 10) property temporarily removed from the *Insured's Premises* for cleaning, renovation, repair or similar purposes.

### Section 5 Conditions

#### 1 Unattended Vehicles

It is a condition precedent to the liability of the *Insurer* that

- (a) when any vehicle is left *Unattended*
  - (i) all windows and doors are closed;

- (b) no *Unattended* vehicle shall be left loaded *Overnight*, unless in a locked building, or in a locked, or continuously supervised, public garage or vehicle compound with locked gates. The onus of proving that the loss, destruction or damage did not occur *Overnight* shall be upon the *Insured*.

#### 2 Proof of Dispatch

No claim shall be payable by the *Insurer* for which no proof of dispatch is provided.

#### 3 Vehicle Maintenance

The *Insured* shall maintain their vehicles in a roadworthy condition.

### Section 5 Extensions

Unless otherwise stated in the *Schedule* (or by endorsement to the Policy), the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

#### 1 Removal of Debris

The *Insurer* shall pay for the necessary and reasonable costs and expenses incurred by the *Insured* in

- (a) removing or reloading the *Insured Goods*;
- (b) removing debris of such *Insured Goods*;
- (c) dismantling or breaking up such *Insured Goods*;

following the occurrence of an insured loss under this Policy, provided that

- (i) the liability of the *Insurer* shall not exceed the limit stated in the *Schedule*;
- (ii) the *Insurer* shall not indemnify the *Insured* for any costs or expenses in connection with seepage, pollution or contamination of

any kind, or description, arising directly or indirectly from any cause.

## 2 Clothing and Personal Effects

The *Insurer* shall pay *Damage* to clothing and personal effects of the driver or attendant arising from an accident to the conveying vehicle or trailer, whilst going about the *Business* of the *Insured*. The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £500 any one *Occurrence*.

## 3 Containers, Tarpaulins and Ropes

The indemnity provided by this Section shall extend to apply in respect of *Damage* to containers, tarpaulins and ropes belonging to the *Insured*, whilst in or on a vehicle or trailer owned, or operated by the *Insured*. The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £250 in respect of all such items.

## 4 Tools and Travellers Samples

The indemnity provided by this Section shall extend to apply in respect of *Damage* to directors', partners' or employees' tools and samples whilst in or on a vehicle or trailer owned, or operated by the *Insured*. The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £500.

## SECTION 6

### TERRORISM

#### The Cover

The *Insurer* will indemnify the *Insured* against

- 1) *Damage* to the Property Insured covered under Section 1 (Property Damage All Risks), the Business Equipment covered under Section 3 (Business Equipment All Risks) or the *Works* and *Constructional Plant* covered under Section 8 (Contract Works);
- 2) *Consequential Loss* covered under Section 2 (Business Interruption) arising from an *Incident*;

caused by an Act of *Terrorism* occurring at or about the *Premises* during the *Period of Insurance*.

#### Limit of Liability

The liability of the *Insurer* shall not exceed the respective *Sums Insured* and limits stated in the *Schedule* for Sections 1, 2, 3 and 8.

#### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of any *Excess* specified in the *Schedule* for Sections 1, 2, 3 and 8.

#### Section 6 Exceptions

The *Insurer* shall not indemnify the *Insured* against

- 1) *Damage* or *Consequential Loss* arising in respect of any *Premises* or *Business Equipment* situated
  - (a) outside of England, Wales or Scotland, or
  - (b) within the territorial seas adjacent to England Scotland and Wales as defined by the Territorial Sea Act 1987;
- 2) *Damage* or *Consequential Loss* arising in respect of *Residential Property* insured in the name of a *Private Individual*;
- 3) *Damage* or *Consequential Loss* arising in respect of any *Nuclear Installation* or *Nuclear Reactor*, or any 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) *Damage* or *Consequential Loss* directly or indirectly caused by or contributed to by, or arising from, or occasioned by or resulting from

(a) damage to any computer or other equipment, component system, or item which processes, stores, transmits or receives data, or any part thereof whether tangible or intangible (including, but without limitation, any information, programs or software) and whether the *Insured's* property or not, where such damage is caused by *Virus* or *Similar Mechanism*, *Hacking* or *Denial of Service Attack*;

(b) 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.

## Section 6 Conditions

### 1 Burden of Proof

In any action, suit or proceedings where the *Insurer* alleges that any *Damage* or *Consequential Loss* is not covered by this section, the burden of proving that such damage or loss is covered will be upon the *Insured*.

### 2 Application of Policy Terms

The insurance provided by this Section shall be subject to all terms, limits, conditions, clauses and exceptions of this Policy applicable in respect of Sections 1, 2, 3 or 8 except any to the extent that they

(a) provide for adjustments of premium;

(b) apply an aggregate limit on the amount to be borne by the *Insured* as a result of the application of the *Excess*;

(c) allow for the automatic reinstatement of a *Sum Insured* or limit;

(d) are applicable in respect of a long term agreement or undertaking;

(e) effect an exclusion in respect of an Act of *Terrorism*.

### 3 Requirement for all Properties to be Declared and Insured Against Terrorism

It is a condition precedent to the liability of the *Insurer* that

(a) all *Property* and *Premises* owned by the *Insured*, or for which the *Insured* are responsible, shall be declared to the *Insurer*, including *Property* or *Premises* of *Subsidiary* companies unless it is the practice of *Subsidiary* companies to effect their own insurances;

(b) *Terrorism* insurance shall be purchased from a Pool Reinsurance Company Limited member company in respect of all such property and premises.

### 4 Certification

The *Insurer* shall not indemnify the *Insured* unless and until

(a) the *Treasury* issues formal certification of an Act of *Terrorism* causing any *Damage* or *Consequential Loss* under this Section, or

(b) in the event of the *Treasury* refusing to issue such certification, a tribunal agreed between the *Insurer* and Pool Reinsurance Company Limited decides that the cause of such damage or loss was an Act of *Terrorism*.

## SECTION 7 – LIABILITY

### PART A EMPLOYERS LIABILITY

#### The Cover

In the event of *Bodily Injury* sustained by any *Employee*, which arises out of and in the course of their employment by the *Insured* within the *Business*, and occurring during the *Period of Insurance*

- 1) within the *United Kingdom*, or
- 2) elsewhere in the world in respect of temporary non-manual visits by any *Employee* normally resident in the *United Kingdom*

the *Insurer* will indemnify the *Insured* in respect of *Compensation* arising out of such event.

#### Limit of Indemnity

- 1) The liability of the *Insurer* for *Compensation* shall not exceed the *Limit of Indemnity*.
- 2) Notwithstanding anything contained in paragraph 1 above, the *Limit of Indemnity* shall not exceed GBP 5 million (not as otherwise shown in the Schedule) in the event of an Act of Terrorism.
- 3) Notwithstanding anything contained in paragraph 1 above, the *Limit of Indemnity* shall not exceed GBP 5 million (not as otherwise shown in the *Schedule*) in respect of any event directly or indirectly arising, resulting from, in consequence of, or in any way involving asbestos, or any materials containing asbestos, in whatever form or quantity.

Unless otherwise stated herein, or endorsed hereon, any costs and expenses in respect of which an indemnity is provided by Extension 2 (Defence Costs and Expenses) of Section 7 Extensions to Parts A, B and C, will be inclusive and not in addition to the *Limit of Indemnity*.

### Section 7 Part A Exceptions

The *Insurer* shall not provide indemnity against liability

- 1) for *Bodily Injury* to an *Employee* in circumstances where compulsory insurance, or security, is required by Road Traffic Act legislation;
- 2) arising *Offshore*;
- 3) for any amount payable under workman's compensation, social security, or health insurance legislation.

### Section 7 Part A Conditions

#### 1 Asbestos

It is a condition precedent to the *Insurer's* liability that the *Insured* do not manufacture, mine, process, distribute, transport, test, remediate, remove, store, dispose of, sell or use asbestos, or any materials or Product Supplied containing asbestos.

#### 2 Employers Liability Compulsory Insurance

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law, enacted in the *United Kingdom*, relating to compulsory insurance of liability to *Employees*. If however, the *Insurer* pays any sum which would not have been paid but for the provisions of such law, the *Insured* shall repay such sum to the *Insurer*.

### Section 7 Part A Extension

#### Unsatisfied Court Judgements

In the event that

- (a) a judgement for damages is obtained against any company or individual, operating from premises within the *United Kingdom*, by any *Employee* in respect of *Bodily Injury* caused during any *Period of Insurance*, arising out of and in the course of their employment by the *Insured* in the *Business*, and
- (b) it remains unsatisfied, in whole or in part, six months after the date of such judgement

the *Insurer* will indemnify the *Employee* or their personal representative, up to the *Limit of Indemnity*, for the amount of *Damages* and awarded costs which remain unsatisfied, as long as

- (i) there is no appeal outstanding;
- (ii) any payment made by the *Insurer* shall only be in respect of *Bodily Injury* which would otherwise be within the scope of cover of this Section of the Policy;
- (iii) any payment made by the *Insurer* shall only be in respect of liability for which the *Insured* would have been entitled to indemnity under this Section of the Policy, if the judgement had been made against the *Insured* ; and
- (iv) the *Insurer* shall be entitled to take over and prosecute, for the *Insurer's* own benefit, any claim against any other party and the *Insured*, the *Employee*, or their personal representatives shall give all information and assistance required.

This Extension is subject otherwise to all other applicable terms, limits, conditions and exceptions of this Section and of the Policy.

## SECTION 7 – LIABILITY

### PART B - PUBLIC LIABILITY

#### The Cover

In the event of accidental

- 1) *Bodily Injury* to any person;
- 2) *Damage to Property*;
- 3) obstruction, trespass, nuisance, or interference with any right of way, air, light or water, or other easement;
- 4) wrongful arrest, wrongful detention, false imprisonment or malicious prosecution;

occurring during the *Period of Insurance*

- (a) within the *United Kingdom*;
- (b) elsewhere in the world (other than the United States of America or Canada) arising out of business visits by directors or non-manual

*Employees* normally resident in the *United Kingdom*

and arising from and in the course of the *Business*, the *Insurer* will indemnify the *Insured* in respect of *Compensation* arising out of such event.

#### Limit of Indemnity

The liability of the *Insurer* for *Compensation* shall not exceed the *Limit of Indemnity*.

Unless otherwise stated herein, or Endorsed hereon, any costs and expenses in respect of which an indemnity is provided by Extension 2 (Defence Costs and Expenses) of Section 7 Extensions to Parts A, B and C, will be payable in addition to the *Limit of Indemnity*.

#### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*

#### Section 7 Part B Exceptions

The *Insurer* shall not provide indemnity against liability

- 1) in respect of *Bodily Injury* to any *Employee*, arising out of and in the course of employment by the *Insured* in the *Business*;
- 2) caused by or arising from the ownership, possession or operation by, or on behalf of the *Insured*, of any
  - (a) airlines, aircraft, aerodromes, airports, or other aviation risks, spacecraft, launch sites or other space risks, or
  - (b) hovercraft or watercraft, other than hand propelled watercraft or other watercraft not exceeding eight metres in length, or
  - (c) mechanically propelled vehicle
    - (i) for which compulsory insurance, or security, is required under any legislation governing the use of the vehicle, or
    - (ii) where indemnity is provided by any other insurance;

- 3) caused by or arising from any *Product Supplied*, after it has ceased to be in the custody or under the control of the *Insured*, or any *Employee*, other than food or drink for consumption on the *Insured's Premises*;
- 4) in respect of *Damage to Property*
  - (a) belonging to the *Insured*, or
  - (b) in the custody or under the control of the *Insured*, or any *Employee*, other than personal effects (including vehicles and their contents) of any visitor, director, partner, or *Employee* of the *Insured*, or
  - (c) being that part of any *Property* on which the *Insured*, or any *Employee* or agent of the *Insured*, is or has been working, where the *Damage* arises out of such work;
- 5) for the *Excess* specified in the *Schedule*, other than in respect of *Damage* to premises (including their fixtures and fittings) leased or rented to the *Insured*.

### Section 7 Part B Extensions

The following Section Extensions are subject otherwise all other applicable terms, limits, conditions and exceptions of this Section and of the Policy.

#### 1 Motor Vehicles

Section 7 Part B Exception 2(c) shall not apply to liability caused by or arising from

- (a) the use of plant as a tool of trade at the *Insured's* premises, or on any site at which the *Insured* is working;
- (b) the loading or unloading of any vehicle, or the bringing to or taking away of a load from any vehicle;
- (c) *Damage* to any building, bridge, weighbridge, road, or to anything beneath caused by vibration, or by the weight of any vehicle or its load.

Provided that the *Insurer* shall not provide indemnity against liability

- 1) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle, or
- 2) for which indemnity is provided by any other insurance.

#### 2 Motor Contingent Liability

Notwithstanding Section 7 Part B Exception 2(c), the *Insurer* will, within the terms of this Section, indemnify the *Insured*, and no other for the purpose of this Section Extension, in respect of liability for *Bodily Injury*, or *Damage to Property*, caused by or arising from any motor vehicle or trailer attached thereto (not belonging to or provided by the *Insured*) whilst being used in the course of the *Business*.

Provided that the *Insurer* shall not provide indemnity against liability

- (a) in respect of *Damage* to any such vehicle, or trailer, or *Property* conveyed therein or thereon;
- (b) for which indemnity is provided by any other insurance;
- (c) caused or arising whilst such vehicle or trailer is
  - (i) engaged in racing, pace-making, reliability trials, or speed testing, or
  - (ii) being driven by the *Insured*, or
  - (iii) being driven with the general consent of the *Insured* or his representative, by any person who, to the knowledge of the *Insured* or other such representative, does not hold a licence to drive such vehicle, unless such person has held and is not disqualified from holding or obtaining such a licence, or
  - (iv) being used elsewhere than in the *United Kingdom*.

#### 3 Movement of Obstructing Vehicles

Section 7 Part B Exception 2 (c) shall not apply to liability caused by or arising from any vehicle (not owned or hired by or lent to the



*Insured*) being driven by the *Insured*, or by any *Employee* with the *Insured's* permission, whilst such vehicle is being moved for the purpose of allowing free movement of any vehicles or pedestrians.

Provided that

- (a) movements are limited to vehicles parked on or obstructing the *Insured's* premises, or any site at which the *Insured* is working;
- (b) the vehicle causing obstruction will not be driven by any person, unless such person is competent to drive the vehicle;
- (c) the vehicle causing obstruction is driven by use of the owner's ignition key;
- (d) the *Insurer* shall not provide indemnity against liability
  - (i) in respect of *Damage* to such vehicle;
  - (ii) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle.

#### 4 Defective Premises Act

The indemnity provided by this Section shall extend to apply in respect of liability arising under Section 3 of the Defective Premises Act 1972, or Section 5 of the Defective Premises (Northern Ireland) Order 1975, in connection with any premises previously owned or occupied by the *Insured* for purposes pertaining to the *Business* and which have since been disposed of by the *Insured*.

Provided that the *Insurer* shall not provide indemnity against liability

- (a) for which indemnity is provided by any other insurance;
- (b) for the costs of remedying any defect or alleged defect in such premises.

#### 5 Leased or Rented Premises

Section 7 Part B Exception 4(b) shall not apply to liability for *Damage* to premises (including their fixtures and fittings) leased or rented to the *Insured*.

Provided that the *Insurer* shall not provide indemnity against

- (a) *Contractual Liability*;
- (b) the first GBP500 of each and every *Occurrence of Damage to Property* caused other than by fire or explosion.

#### 6 Buildings Temporarily Occupied

Section 7 Part B Exception 4(b) shall not apply to liability for *Damage* to buildings (including contents therein), which are not owned leased or rented by the *Insured*, but are temporarily occupied by the *Insured* for the purpose of maintenance, alteration, extension, installation or repair.

#### 7 Overseas Personal Liability

The *Insurer* will, within the terms of this Section, indemnify

- (a) the *Insured*;
- (b) at the request of the *Insured*
  - (i) any director, partner, or *Employee* of the *Insured*, or
  - (ii) any spouse or child of the persons stated in (a), or (b)(i) above, who are accompanying such persons

in respect of liability incurred by such persons in a personal capacity, in connection with an event occurring in a country outside of the *United Kingdom*, whilst on a temporary visit to such country in connection with the *Business*.

Provided that

- 1) any person entitled to indemnity under this Section Extension shall, as though they were the *Insured*, be subject to all the applicable terms, limits, conditions and exceptions of this Section and of the Policy;
- 2) nothing in this Section Extension shall increase the liability of the *Insurer* to pay any amount exceeding the Limit of Indemnity, regardless of the number of person claiming to be indemnified;

- 3) the *Insurer* shall not provide indemnity against
- (a) any *Contractual Liability*, or
  - (b) liability for which indemnity is provided by any other insurance, or
  - (c) liability in respect of *Damage* to *Property* belonging to, or in the custody or under the control of any person entitled to indemnity under this Section Extension, or
  - (d) liability in respect of *Bodily Injury* to any person entitled to indemnity under this Section Extension, or
  - (e) liability caused by or arising from
    - (i) the ownership or occupation of land or buildings, or
    - (ii) the carrying on of any business, profession, trade or employment, or
    - (iii) the ownership, possession, or use of animals, other than horses or domestic dogs or cats.
- (i) liability caused by or arising from a deliberate act or omission of any person entitled to indemnity under this Section Extension, if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission;
  - (ii) the costs of replacing, reinstating, rectifying, or erasing any personal data;
  - (iii) against liability caused by or arising from any incident or circumstances, known to the *Insured* at inception of this Policy, which may give rise to a claim;
  - (iv) against liability caused by or arising from the recording, processing, or provision of data for reward, or for the determining of the financial status of a person;
  - (v) against *Contractual Liability*;
  - (vi) against liability in respect of *Bodily Injury* or *Damage to Property*.

## 8 Data Protection Act

The indemnity provided by this Section 7 Part B Extension shall extend to apply in respect of *Compensation* for damages arising out of any claim under Section 13 of the Data Protection Act 1998, not otherwise insured hereunder.

*Provided that*

- (a) the liability of the *Insurer* under this Section Extension, for *Compensation*, costs and expenses, shall not exceed the amount stated as the *Limit of Indemnity* in the *Schedule*;
- (b) the *Insured* has registered in accordance with the terms of the said Act, or has applied for such registration which has not been refused or withdrawn;
- (c) the *Insurer* shall not provide indemnity against

## SECTION 7 – LIABILITY

### PART C – PRODUCTS LIABILITY

#### The Cover

In the event of accidental

- 1) *Bodily Injury* to any person;
- 2) *Damage to Property*

occurring during the *Period of Insurance* anywhere in the world and caused by any *Product Supplied*, the *Insurer* will indemnify the *Insured* in respect of *Compensation* arising out of such event.

#### Limit of Liability

The liability of the *Insurer* for *Compensation* shall not exceed the *Limit of Indemnity*.

Unless otherwise stated herein, or Endorsed hereon, any costs and expenses in respect of which an indemnity is provided by Extension 2 (Defence

Costs and Expenses) of Section 7 Extensions to Parts A, B and C, will be payable in addition to the *Limit of Indemnity*.

### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*

### Section 7 Part C Exceptions

The *Insurer* shall not provide indemnity against liability

- 1) in respect of *Damage* to, or the costs or expenses of recalling, repairing, replacing, altering, removing, rectifying, reinstating, or making any refund in respect of any *Product Supplied* caused by or arising from
  - (a) a defect in, or the harmful nature or the unsuitability of such *Product Supplied*, or
  - (b) an error or fault in connection with the sale, supply or presentation of such *Product Supplied*;
- 2) caused by or arising from any *Product Supplied* whilst in the custody or under the control of the *Insured*, or any *Employee*;
- 3) caused by or arising from any *Product Supplied* which, to the knowledge of the *Insured*, is for
  - (a) use in or on any aircraft, or aero spatial device, or
  - (b) aviation or aero spatial purposes, or
  - (c) use in the safety or navigation of marine craft of any sort;
- 4) caused by or arising from any action brought against the *Insured*, in any country not being a member of the European Union, where the *Insured* has a branch, or a parent or *Subsidiary* company, or is represented by a person or company holding the *Insured's* power of attorney;
- 5) caused by or arising from any *Product Supplied* which, to the knowledge of the *Insured*, is for use in or supply to the United States of America or Canada.

### Section 7 Part C Extension

#### Consumer Protection Act

The *Insurer* will provide indemnity to the *Insured* and, at the request of the *Insured*, any director, partner, or *Employee* of the *Insured*, in respect of legal costs and expenses, incurred with the *Insurer's* written consent, in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987, including such legal costs and expenses incurred in an appeal against conviction arising from such proceedings and prosecution costs awarded in connection therewith.

Provided that

- (a) the proceedings relate to an offence alleged to have been committed during the *Period of Insurance* and in the course of the *Business*;
- (b) the *Insurer* shall not provide indemnity in respect of
  - (i) fines or penalties of any kind, or
  - (ii) any circumstances for which indemnity is provided by any other insurance, or
  - (iii) proceedings consequent upon a deliberate act or omission of any person entitled to indemnity under this Section Extension, if the result thereof could reasonably have been expected, having regard to the nature and circumstances of such act or omission, or
  - (iv) proceedings arising out of any activity or risk excluded from this Policy;
- (c) the director, partner or *Employee* shall, as though they were the *Insured*, be subject to the terms (including without limitation the Conditions and the Exceptions) of this Policy insofar as they can apply.

This Extension is subject otherwise to all other applicable terms, limits, conditions and exceptions of this Section and of the Policy.

## SECTION 7 EXCEPTIONS

### Applicable to Parts A, B and C

#### 1 Jurisdiction

The *Insurer* shall not indemnify the *Insured* in respect of any claim brought against the *Insured* within the jurisdiction of the United States of America or Canada, or in any country or territory which operates under the laws of the United States of America or Canada, or in respect of any order made anywhere in the World to enforce a judgement, award or settlement in respect of any such claim.

### Applicable to Parts B and C only

#### 2 Advice for a fee

The *Insurer* shall not indemnify the *Insured* in respect of liability caused by or arising from advice, design or specification provided, or professional services rendered, by or on behalf of the *Insured* for a fee.

#### 3 Contractual Liability

The *Insurer* shall not provide indemnity

- (a) under Part B against *Contractual Liability* unless the sole conduct and control of claims is vested in the *Insurer*, but the *Insurer* shall not in any event provide indemnity in respect of liquidated damages or liability under any penalty clause;
- (b) under Part C against *Contractual Liability*, other than liability arising out of a condition or warranty of goods implied or imposed by statute.

#### 4 Cyber Liability Exclusion

The *Insurer* shall not indemnify the *Insured* in respect of liability directly or indirectly arising out of

- (a) an alteration of, or *Damage* to, or
- (b) a reduction in functionality, availability or operation of
  - a computer system or programme, hardware, data, information, repository, microchip, integrated circuit, or similar device in

computer equipment or non-computer equipment, as a result of the *Insured*'s "e-activities".

For the purpose of this exclusion, "e-activities" means any use of or *Business* undertaken by the *Insured*, or by any person, persons, partnership, firm or company acting for, or on behalf of the *Insured*, in connection with electronic networks, including the internet and private networks, intranets, extranets, electronic mail, worldwide web and similar media.

#### 5 Pollution or Contamination

The *Insurer* shall not indemnify the *Insured* under Parts B and C

- (a) for liability arising from *Pollution or Contamination*;
- (b) for the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances;

unless arising from *Pollution or Contamination* which is 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* and provided that

- (a) all *Pollution or Contamination* which arises out of such incident shall be deemed to have occurred at the time such incident takes place;
- (b) the liability of the *Insurer*, for all *Compensation* under Parts B and C, 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 *Limit of Indemnity* for Part B (or Part C if Part B is not operative).

#### 6 Total Asbestos Exclusion

The *Insurer* shall not indemnify the *Insured* in respect of liability directly or indirectly arising out of, resulting from, in consequence of, or in any way involving asbestos, or any materials containing asbestos, in whatever form or quantity.

## SECTION 7 EXTENSIONS

### Applicable to Parts A, B and C

#### 1 Costs of Court Attendance

In the event of any of the under-mentioned persons attending court as a witness at the request of the *Insurer*, in connection with a claim in respect of which the *Insured* is entitled to indemnity under this Policy, the *Insurer* will reimburse the *Insured*, at the following rates per day, for each day on which attendance is required

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

#### 2 Defence Costs and Expenses

The *Insurer* will provide indemnity in respect of all

- (a) costs incurred, with the *Insurer's* written consent, in respect of legal representation at any
  - (i) coroner's inquest, or other inquiry in respect of any death;
  - (ii) proceedings in any court, in respect of any act or omission causing, or relating to, any *Occurrence*;
- (b) other costs and expenses, incurred with the *Insurer's* written consent, in relation to any matter;

which may be the subject of indemnity under any applicable Part of this Section.

#### 3 Indemnity to Other Persons

The *Insurer* will also indemnify under this Section, as if a separate Policy had been issued to each

- (a) the legal personal representatives of the *Insured*, or of any other person entitled to indemnity under this Policy, but only in respect of liability incurred by the *Insured* or by such other person;

(b) under Parts A and B any *Principal*, but only to the extent required by the contract or agreement for work;

(c) any owner of plant hired to the *Insured*, but only to the extent required by the conditions of the contract or agreement of hire;

(d) at the request of the *Insured*

(i) any officer or member of the *Insured's* catering, social, sports, educational, medical, dental and welfare organisations, and fire, security, first aid and ambulance services, in their respective capacity as such, but not any medical or dental practitioner in respect of medical or dental services provided;

(ii) any director, partner or *Employee* of the *Insured*, while acting in connection with the *Business*, in respect of liability for which the *Insured* would be entitled to indemnity under this Policy if the claim for which indemnity is being sought had been made against the *Insured*.

Provided that

- 1) any persons specified above shall, as though they were the *Insured*, be subject to all applicable terms, limits, conditions and exceptions of this Section and of the Policy;
- 2) nothing in this Section Extension shall increase the liability of the *Insurer* to pay any amount exceeding the *Limit of Indemnity* of the operative Part(s), regardless of the number of persons claiming to be indemnified.

#### 4 Legal expenses arising from Health and Safety legislation

In the event of

- (i) any act or omission, or alleged act or omission, leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work Act 1974, Corporate Manslaughter and Corporate Homicide Act

2007, or similar legislation in the *United Kingdom*;

- (ii) an incident which results in an enquiry ordered under the Health and Safety inquiries (Procedure) Regulations 1975;

the *Insurer* will provide indemnity, up to an amount not exceeding £5M, against legal fees and expenses incurred in representing the *Insured* in such proceedings, including an appeal against the result of such proceedings, as long as the proceedings relate to an act, omission, incident, or alleged act, omission or incident, which has been committed during the *Period of Insurance*, within the *United Kingdom* and in the course of the *Business*.

### Applicable to Parts B and C only

## 5 Cross Liabilities

If the *Insured* comprises more than one party, the *Insurer* will provide indemnity to each such *Insured* in the same manner and to the same extent as if a separate Policy had been issued to each of them.

Provided that nothing in this Section Extension shall increase the liability of the *Insurer* to pay any amount exceeding the *Limit of Indemnity* of the operative Part(s), regardless of the number of persons claiming to be indemnified.

## SECTION 8 CONTRACT WORKS

### The Cover

The *Insurer* will indemnify the *Insured* against accidental *Damage* to

- 1) the *Works*;
- 2) *Constructional Plant*;

occurring during the *Period of Insurance* on or adjacent to the site of the *Works*, or in transit by road, rail, or inland waterway, within the *Territorial Limits*.

### Limit of Liability

The liability of the *Insurers* under this Section for each and every *Occurrence* shall not exceed the Limit of Liability stated in the *Schedule*.

### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

## Section 8 Exceptions

### Excepted Causes

The *Insurer* shall not indemnify the *Insured* against

- 1) consequential loss, loss of use, liquidated damages, penalties for delay or non-completion;
- 2) *Damage* subsequent to work ceasing on the site of any contract for a continuous period in excess of ninety consecutive days;
- 3) the cost of making good
  - (a) mechanical or electrical breakdown or derangement, except to the extent that the *Insured* is responsible under the terms of a hire agreement (not being a leasing or hire purchase agreement) in respect of *Constructional Plant* hired in by the *Insured* ;
  - (b) wear, tear, rust or other gradual deterioration;

but this Excepted Cause shall be limited to the parts immediately affected and shall not apply to *Damage* arising as a consequence;

- 4) *Damage* for which the *Insured* is relieved of responsibility under the terms of any contract; condition, but sustains accidental damage as a direct consequence;
- 5) any loss due to disappearance or shortage which is only revealed when an inventory is made, or is not traceable to an identifiable *Occurrence*; (For the purposes of this Section, and not merely this Exclusion, the *Works* or *Constructional Plant* shall not be regarded as lost, damaged or destroyed solely by virtue of the existence of any defect in their design, plan, materials or workmanship, or of any component part.)
- 6) *Damage* caused by or arising from electrical or mechanical testing of any machinery or plant comprising the *Works*, except during a period not exceeding forty five (not necessarily consecutive) days from the commencement of such testing.

### Excepted Property

The *Insurer* shall not indemnify the *Insured* in respect of

- 1) *Damage* to
  - (a) aircraft, spatial devices or hovercraft;
  - (b) watercraft, other than safety boats or other craft up to four metres in length on or about the contract site;
- 2) *Damage* to any mechanically propelled vehicle, including trailer attached thereto, other than *Damage* which occurs to *Constructional Plant* whilst it is on the site of the *Works*, or being carried to or from such site, or stored within the *Premises* of the *Insured* and not otherwise insured;
  - (i) during the *Maintenance Period* from a cause taking place before such period;
  - (ii) during the course of carrying out the obligations required within the *Maintenance Period*;
  - (iii) within fourteen days of the issue of a Certificate of Completion;
- 3) *Damage* to tyres by punctures, cuts or bursts;
- 4) *Damage* to, or the costs or expenses necessary to replace, repair or rectify
  - (a) the *Works* or any *Constructional Plant*, which are in a defective condition due to a fault in their design, plan, specification, materials or workmanship, or of any component part, or
  - (b) any other property free of such defect, which becomes damaged or is removed to enable the replacement, repair or rectification of the defect to take place

but paragraph 4(a) shall not apply to the remainder of the property covered by this Section, which is free of the defective
- 5) *Damage* to any property forming part of any structure pre-existing the commencement of the *Works* and any fixtures, fittings or contents on or within such structure;
- 6) *Damage* to any part of the *Works* occurring
  - (a) after and in respect of which a Certificate of Completion has been issued, or Practical Completion has taken place through hand over to the employer, or
  - (b) after being taken into use or occupation by the employer

whichever is the earlier, other than *Damage* occurring
- 7) *Damage* to
  - (a) *Stock in Trade* whilst at any *Premises* of the *Insured*, unless specifically designated for use in the *Works*;

but only to the extent that such *Damage* falls to the responsibility of the *Insured* under the terms of the contract governing the *Works*;

(Where the *Insured* has engaged sub-contractors, any reference in this exception to a Certificate of Completion, or to Practical Completion, does not apply to completion of the sub-contracted work, provided that the responsibility for that work then falls to the responsibility of the *Insured* under the terms of the contract governing the *Works* .)

- (b) *Money*, deeds, bonds or any other securities for money.

## Section 8 Conditions

### 1 Plant Hire

It is a condition precedent to the liability of the *Insurer* that

- (a) all *Constructional Plant* hired in is on terms no more onerous to the *Insured* than those of the Construction Plant-hire Association Conditions of Contract;
- (b) all *Constructional Plant* is maintained in a safe and sound condition and is examined by the *Insured* prior to and at the end of each hiring and any defects rectified;
- (c) a written record is kept of the date upon which each item of equipment is inspected, with a note of any maintenance undertaken.

### 2 Scaffolding Equipment

It is a condition precedent to the liability of the *Insurer* that each and every item of scaffolding equipment shall be security marked.

### 3 Seventy Two Hours Clause

All *Damage* caused by storm, tempest, flood, subsidence or landslip occurring in any one period of seventy two consecutive hours, within any one *Period of Insurance*, shall constitute one *Occurrence* for the purposes of this Section. The *Insured* shall select the time from which any such period shall commence, provided that such *Damage* occurred prior to the expiry of the *Period of Insurance*. If there is more than one such period selected during the *Period of Insurance*, they must not overlap and the *Excess* shall apply to each selected period.

### 4 Unattended Sites/Premises Precautions

It is a condition precedent to the liability of the *Insurer* that when the contract site or any premises used for storage are left unattended, the *Insured* shall

- (a) leave the site or premises securely locked;

- (b) keep tools and equipment inside a locked and secured building;

- (c) keep plant in a secure and locked compound or premises.

## Section 8 Extensions

Unless otherwise stated in the *Schedule* (or by endorsement to the Policy), the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

### 1 Additional Interest

The interest of any Bank, Finance Company, Building Society or other financial institution or concern that has a financial interest in the *Works* or *Constructional Plant* covered by this Section (including plant owners to the extent required by hire conditions) is noted in this insurance. The nature and extent of such interest is to be declared to the *Insurer* in the event of *Damage*.

### 2 Debris Removal

The indemnity provided by this Section shall extend to apply to costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurers* in respect of removing and disposing of debris, dismantling, demolishing (including off-site storage), shoring, propping and clearance of drains and sewers following *Damage* for which indemnity is provided by this Section, but excluding all costs and expenses arising from *Pollution or Contamination* of property not insured by this Section.

The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the Limit of Liability under this Section in respect of any one *Occurrence*, unless otherwise stated in the *Schedule*.

### 3 Continuing Hire Charges

The indemnity provided for *Constructional Plant* shall extend to apply to the liability of the *Insured* to pay continuing hire charges as a result of any *Damage*, breakdown or derangement insured under this Section,



provided that the *Insurer* shall not indemnify the *Insured* in respect of liability

- (a) incurred for the first forty-eight hours that such plant is out of use;
- (b) arising from the payment of hiring charges for a period exceeding three months in respect of any one item of plant.

The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £25,000 in respect of any one item of plant.

#### 4 Expediting Expenses

The indemnity provided by this Section shall extend to apply to the costs necessarily and reasonably incurred by the *Insured*, with the consent of the *Insurer*, in making temporary repairs and expediting permanent repair in respect of *Damage* insured by this Section, including the cost of overtime, weekend shift working, plant hire charges, and express delivery (including air freight).

The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed 10% of the Limit of Liability under this Section in respect of any one *Occurrence*, unless otherwise stated in the *Schedule*.

#### 5 Free Issue Materials

The *Works* shall include free issue materials, provided that the value of such materials is included within both the Limit of Liability and any declaration of value made in accordance with Policy General Condition 12.

#### 6 Immobilised Plant

The indemnity provided for *Constructional Plant* shall include the cost of recovery or withdrawal of any *Contractors' Plant* which is unintentionally immobilised, provided that such recovery or withdrawal is not necessitated solely by reason of electrical or mechanical breakdown, or derangement.

#### 7 Off-site Storage

The indemnity provided by this Section shall extend to apply to materials and goods whilst not on the site of the *Works*, but intended for incorporation in the *Works*, provided that the

value of such materials and goods have been included in an interim certificate for the purposes of the contract, and are separately stored and identified as being designed for incorporation in the *Works*.

Should such materials and goods not be specified in an interim certificate this extension shall continue to apply, but the maximum amount that will be paid by the *Insurer* under this Extension shall not exceed £25,000 in respect of any one *Occurrence*.

#### 8 Personal Effects

The indemnity provided by this Section shall extend to apply to any

- (a) director or officer of the *Insured*;
- (b) person under a Contract of Service or apprenticeship with the *Insured*;
- (c) clerk of works or resident engineer or any person under a Contract of Service with such clerk of works or resident engineer;

in respect of *Damage* to personal effects, including tools and clothing but not motor vehicles, precious metals or stones, watches, jewellery or money, whilst on or about any contract site within the *Territorial Limits* or the *Insured's Premises*, whilst in transit thereto or therefrom, or left *Overnight* at such person's place of residence, provided that

- (i) such person shall, as though he or she were the *Insured*, observe, fulfil and be subject to the terms, exclusions and conditions of this Policy in so far as they can apply;
- (ii) if such personal effects are left *Overnight* in an un-garaged vehicle such vehicle must be securely locked and alarmed.

The maximum amount that will be paid to any one person by the *Insurer* under this Extension shall not exceed £500 in respect of any *Occurrence*.

The *Insurer* shall not indemnify the *Insured* for the first £250 of each and every *Occurrence* for which indemnity is sought under this Extension.

## 9 Plans

The indemnity provided by this Section shall extend to apply to plans, specifications and other documentation necessary for the execution of the *Works*.

The maximum amount that will be paid by the *Insurer* under this Extension shall not exceed

- (a) the cost of reproducing such plans, specifications and documentation, or
- (b) £25,000 in the aggregate during the *Period of Insurance*

whichever is the lesser.

## 10 Professional Fees

The indemnity provided by this Section shall include architects, surveyors, consulting engineers, legal and other professional fees necessarily and reasonably incurred with the *Insurers*' consent in the reinstatement of any *Damage* covered by this Section, but not fees for preparing a claim under this insurance.

## 11 European Union and Public Authorities

The indemnity provided by this Section shall include the additional cost of reinstatement of the *Works* incurred by the *Insured*, with the consent of the *Insurer*, solely by reason of the necessity to comply the stipulations of

- (a) European Union legislation, or
- (b) building or other regulations under, or framed in pursuance of, any Act of Parliament or the bye-laws of any public authority

first imposed upon the *Insured* following *Damage*, provided that the reinstatement is completed within twelve months of the occurrence of the *Damage* or within such further time as the *Insurer* may in writing allow (during the course of such twelve months period).

The indemnity under this Extension is granted provided that the *Insurer* shall not be liable in respect of costs for

(a) requirements relating to any undamaged part of the *Works*, other than foundations (unless foundations are specifically excluded from this Insurance);

(b) any rate, tax, duty, development or other charge or assessment which may arise out of capital appreciation as a result of compliance with any of the Stipulations.

## 12 Subrogation Waiver

Where the *Insured* is awarded a contract under the Joint Contracts Tribunal Standard Form of Building Contract 2011 (or any other form of contract containing similar conditions) the understated agreement applies to the *Works*, but only to the extent required by the contract.

In respect of *Damage* to the *Works* by any of the Specified Perils defined in the above mentioned Standard Form of Building Contract, it is agreed that, so far as is required by sub-contract conditions, the *Insurer* will not pursue any right of subrogation against subcontractors directly engaged by the *Insured*.

## SECTION 9 EMPLOYEE FIDELITY

### The Cover

The *Insurer* will indemnify the *Insured* against direct loss of *Money* or *Property* belonging to the *Insured*, or for which the *Insured* are legally responsible, caused by any *Employee Dishonest Act* committed during the *Period of Insurance*.

### Discovery Provision

The indemnity provided by this Section shall only apply in respect of losses discovered not later than 24 months after the termination of

- (a) this insurance, or
- (b) the termination of this insurance in respect of any Employee to which this insurance applies

whichever occurs first.

### Auditor's Fees

The *Insurer* will also indemnify the *Insured* in respect of *Auditor's Fees* incurred by the *Insured* in respect of a claim.

### Limit of Liability

The liability of the *Insurer* in respect of all claims during any one *Period of Insurance* shall not in the aggregate exceed the *Limit of Indemnity* stated in the *Schedule*.

### The Excess

The *Insurer* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

### Standards of Control

#### 1 Auditors

The accounts of the *Insured*, including those of all *Subsidiary* companies, shall be examined by external auditors at least every twelve months.

#### 2 Cash and Petty Cash

Cash in hand and petty cash shall be checked, independently of employees responsible, at least monthly and additionally, without warning, at least once in every six months.

#### 3 Cash Receipts

All cash and cheques received in the course of the *Business* must be banked no later than the banking day after receipt.

#### 4 Cheque Signing

All cheques, or other instruments, drawn for more than £10,000, must be manually signed by two authorised signatories after the amount payable has been inserted. No cheque, or other instrument, shall be signed until one signatory has examined the supporting documentation and ensured that the payment and payee are genuine.

In the case of computer or machine prepared cheques, the supporting documentation shall be examined and authorised before the requisition for payment is input. All such cheques or instruments drawn for an amount in excess of £10,000 shall require one manually added signature after the cheque or instrument is printed.

#### 5 Computer Security

(a) All access to the *Insured's* computer systems and programs by Employees or external persons, in connection with accounting, finance or stock, shall be protected by passwords, regardless of whether such access is for the purposes of system update, maintenance or amendment, or for operational or trading purposes. Such passwords shall be changed at least every 90 days.

(b) All access permitted to the *Insured's* computers systems or programs through the internet, or other external means of access, shall be protected by firewalls and anti-virus software which are kept up to date in accordance with the providers' recommendations.

(c) All computer systems and their security shall have been vetted by external auditors as frequently as they suggest and any resulting recommendations fully complied with.

## 6 Funds Transfer

The following standards apply in respect of instructions provided to a bank or financial institution for the purpose of transferring funds, or making payments of any kind.

- (a) All written instructions shall be authorised as for Cheque Signing (see above).
- (b) All instructions given by telephone, or sent by facsimile (whether by means of a fax message or by email), will be subject to verification by the bank or financial institution contacting a person authorised by the *Insured*, for the purpose of such verification, and different to the person purported to have given the originating instructions, prior to the necessary transfer or payment taking place.
- (c) All *Electronic Instructions* shall
  - (i) be subject to dual control, whereby no one employee can complete a transfer or transaction from beginning to end;
  - (ii) require a password to execute the transfer or transaction, such password being unique to the individual person and to be changed at least once in every 30 days;
  - (iii) in the event that an employee's password has been re-set in order that *Electronic Instructions* may be given, be subject to a control whereby the person carrying out the re-set has no authority to effect or authenticate *Electronic Instructions* themselves.

## 7 Ordering Goods or Services

Separate employees shall be responsible for the ordering of stock, machinery, equipment, goods and other supplies or services; recording their receipt, performance or delivery; and authorising the payment for them.

## 8 Payroll

The payroll cast shall be examined at least quarterly, by a different Employee to the one responsible for its content, to ensure that there are no ex-Employees or fictitious persons included.

## 9 Reconciliation

All cash book entries shall be checked, by an Employee different to the one responsible for such entries, against bank statements, receipts, invoices vouchers and other documents, and the balance tested against cash and un-presented cheques.

## 10 References

In respect of each person employed subsequent to the commencement of this insurance and having responsibility for money, accounts, stock, or computer operations, programs or security, satisfactory references shall be obtained which are not detrimental to the honesty of such persons.

These references shall be obtained directly from former employers for the three years immediately preceding engagement and before the Employee is entrusted without full supervision. All gaps in employment must be satisfactorily explained.

For the purposes of this insurance, references will not be necessary for Employees who have satisfactorily and continuously been in the service of the *Insured* for at least two years in another capacity, before being entrusted with the duties referred to above.

In respect of Employees joining the *Insured*, having had no previous employment, it shall be sufficient for one character reference to be obtained.

Written records shall be retained by the *Insured*, containing the original copy of each written reference received and also a written and signed file note in respect of any verbal references received. These records shall be made available to the *Insurer* upon request.

## 11 Statements of Customers Accounts

Statements of account shall be issued at least monthly in respect of all customers granted credit. Accounts where payment is overdue by more than three months shall be reviewed by an employee different to the one responsible for the issue of such statements. In circumstances where an Employee is responsible for receipt of payment as well as issue of the statement, all related statements

shall be checked, by a different Employee, at least quarterly.

## 12 Stocktaking

A physical check shall be made, at least every twelve months and independent of Employees responsible for stock, on all stock and materials against verified stock records.

### Section 9 Exceptions

The *Insurer* shall not indemnify the *Insured* against loss

- 1) subsequent to the *Insured* continuing to entrust a defaulting Employee with *Money* or *Property* after becoming aware of any material fact bearing upon the honesty of such Employee;
- 2) of interest or consequential loss of any kind;
- 3) due to any unexplained shortages;
- 4) caused by any director of the *Insured* holding, or controlling, more than 5% of the issued share capital of the *Insured* (or any *Subsidiary* of the *Insured*), or any loss in which such director has acted in *Collusion*;
- 5) caused by the acts of any employee of a company or firm which the *Insured* has merged with or acquired during the *Period of Insurance*.

### Section 9 Conditions

#### 1 Cessation of Cover

Immediately following the discovery by the *Insured* of an *Employee Dishonest Act*, the liability of the *Insurer* to indemnify the *Insured* in respect of any further such acts by the same employee, shall cease.

#### 2 Employee's Money

Any *Money* in the hands of the *Insured* and belonging to an Employee who has committed an *Employee Dishonest Act*, together with any *Money* which would have been due to the Employee from the *Insured*, shall be deducted from the amount of the loss before a claim is made under this insurance.

## 3 Recoveries

Any recoveries effected by the *Insured* shall accrue

- (a) in the event that the *Insured's* claim exceeds the *Limit of Indemnity*, firstly to the benefit of the *Insured* to reduce or extinguish the amount of the *Insured's* loss (but not the amount of the *Excess*);
- (b) then to the benefit of the *Insurer*, to the extent of the claim paid or payable;
- (c) and finally to the benefit of the *Insured* in respect of the *Excess*.

## 4 Standards of Control

The *Insured* shall comply, and ensure that their Employees comply, with the Standards of Control detailed in this Section, unless otherwise agreed by the *Insurer* in writing.

### Section 9 Extensions

Unless otherwise stated in the *Schedule* (or by endorsement to the Policy), the following Section Extensions shall apply and are subject to all other terms, limits, conditions and exceptions of this Section and of the Policy, except where specifically varied by the terms of the Section Extension.

#### 1 Employee Definition

The term employee, as referred to in the General Policy Definition of an *Employee Dishonest Act*, shall extend to include any person

- (a) engaged under a work experience, government training or similar scheme;
- (b) retired from employment with the *Insured* and working for the *Insured* as a consultant;
- (c) hired or borrowed by the *Insured* from an employment agency on a temporary basis (other than persons engaged as drivers, or those performing warehouse, computer operations or computer programming duties)

under the control of the *Insured* in connection with the *Business*.

## 2 Previous Insurance

If this insurance immediately supersedes another insurance effected by the *Insured* covering *Employee Dishonest Acts* (the “Superseded Insurance”), the *Insurer* will indemnify the *Insured* in respect of any loss discovered during the continuance of this insurance, but arising from an act committed during the continuance of the Superseded Insurance, if the loss is not recoverable thereunder solely because the period allowed for discovery has expired. Provided that

- (a) the Superseded Insurance had been continuously in force, from the time of the loss until inception of this insurance;
- (b) the loss would have been insured by this insurance had it been in force at the time of the loss;
- (c) the liability of the *Insurer* shall not exceed the lesser of
  - (i) the amount that would have been recoverable under the insurance in force at the time of the loss, or
  - (ii) the *Limit of Indemnity* under this insurance.

## 3 Reinstating or Rewriting of System Records

The indemnity provided by this Section shall include the reasonable cost of reinstating, rewriting or amending

- (a) computer software or systems where necessary to correct the programs, or amend the security codes;
  - (b) *Computer Records* which have been damaged, destroyed, erased or stolen;
- through an *Employee Dishonest Act*, which is the subject of claim for which liability has been agreed by the *Insurer*.

## SECTION 10 LOSS OF LICENCE

### The Cover

In the event of loss of *Licence* occurring during the *Period of Insurance*, the *Insurer* will pay to the *Insured*

- 1) the depreciation in value of the interest of the *Insured* in the *Premises*, or the *Business*, caused by such loss, and
- 2) all costs and expenses incurred by the *Insured*, with the written consent of the *Insurer*, in connection with any appeal against such loss.

### Limit of Liability

The liability of the *Insurer* during the *Period of Insurance* shall not in the aggregate exceed the total *Sum Insured* stated in the *Schedule*.

### Section 10 Exceptions

The *Insurer* shall not pay for loss, costs or expenses arising from

- 1) circumstances for which the *Insured* is entitled under legislation to claim compensation in respect of a refusal by the relevant licencing authority to renew a *Licence*;
- 2)
  - (a) actual or proposed compulsory acquisition of the *Premises*;
  - (b) any scheme of town or country planning, improvement or redevelopment;
  - (c) redistribution, reduction in number or extinguishment of the *Licence* as a result of war damage, whether the loss is direct or indirect;
- 3) any alteration, after the commencement of the *Period of Insurance*, of the legislation governing the grant, surrender, renewal, suspension, forfeiture, withdrawal or transfer of the *Licence*, unless the *Insurer* confirms in writing that the insurance will apply after such alteration;
- 4) failure
  - (a) other than for good cause, to keep the *Premises* open during the permitted hours;

- (b) to comply with any direction or requirement of the relevant licencing authority;
  - (c) to maintain the *Premises* in good sanitary and general repair;
- 5) any act, omission or failure of the *Insured* to take all reasonable action to maintain the *Licence* in force.

## Section 10 Conditions

### 1 Alterations

It is a condition precedent to the liability of the *Insurer* that

- (a) no alterations to the *Premises* shall be made without the sanction of the relevant licencing authority;
- (b) no application shall be made for the removal of the *Licence* to other premises, nor shall any offer be made to surrender or discontinue any *Licence* without the written consent of the *Insurer*;
- (c) the *Insured* shall give all such information as the *Insurer* may require, at any time and for any purpose, in connection with the insurance under this Section, and any duly authorised representative of the *Insurer* may, at any reasonable time, enter and inspect the *Premises*.

### 2 Claims

It is a condition precedent to the liability of the *Insurer* that the *Insured* shall give the *Insurer* written notice within twenty four hours of

- (a) a loss of *Licence*, or
- (b) any event coming to the knowledge of the *Insured* which is likely to prejudice the *Licence*.

Such notice is to state (as far as the *Insured* is able) the grounds on which any order was made, or the particulars of the relevant event. The *Insurer* shall be entitled to appeal in the name of the *Insured* against any such loss of *Licence* and shall have full discretion in the conduct of any proceedings, for which the

*Insured* shall give the *Insurer* all such assistance as the *Insurer* may require.

### 3 Duties of the Insured

It is a condition precedent to the liability of the *Insurer* that the *Insured* shall give the *Insurer* written notice, within twenty four hours, of receiving information, whether oral or written, that

- (a) any notice, caution or complaint has been given or made against the *Premises*, or against the tenant, manager, occupier or *Licence* holder, or that such person has been summoned or charged with, or convicted of, or committed for trial for an offence of any kind;
- (b) an application for renewal is to be opposed, or that its consideration is adjourned or referred to any compensation authority, or the *Licence* holder is required to give any undertaking, or if structural alterations are required;
- (c) the *Licence* holder has died, become bankrupt, absconded, or been rendered incapable by sickness or other infirmity of carrying on the *Business*.

### 4 Rights of the Insurer

It is a condition precedent to the liability of the *Insurer* that

- (a) the *Insurer* shall be entitled, in the name of the *Insured*, to exercise against
  - (i) the tenant, manager or occupier of any *Premises*, and
  - (ii) the *Licence* holder (if not the *Insured*),
 all rights, powers and privileges available to the *Insured* and which may be calculated to protect the *Licence* against loss, or to protect the interests of the *Insured*;
- (b) the *Insured* shall make all such applications, including applications to the Magistrates Court, for a protection order and generally do all such acts or things which the *Insured* may be entitled to do under the appropriate legislation or otherwise and which are calculated or

intended to prevent the loss of *Licence* by the death, bankruptcy or incapacity of any tenant, manager, occupier or *Licence* holder;

- (c) if any tenant, manager, occupier or *Licence* holder shall abscond or be convicted of any offence, the *Insured* shall procure a suitable person to replace them and immediately make an application for the transfer of the *Licence*, or for a new *Licence* to be granted by way of renewal, to the person taking over as replacement.



**GENERAL POLICY EXCEPTIONS** (*applicable to the whole Policy except where indicated*)

The *Insurer* shall not indemnify the *Insured* against or make any payment to the *Insured* in respect of

**1 Consequential Loss** (*not applicable to Section 7*)

consequential loss of any kind or description except

- (a) as may be insured by Sections 2 or 6 of this Policy, or
- (b) loss of *Rent* when such loss is included in the cover under Sections 1, 2 or 6 of this Policy, or
- (c) *Consequential Loss* following *Computer Breakdown*, to the extent covered when Special Extension 1 to Section 1 of this Policy is operative.

**2 Electronic Date Recognition** (*not applicable to Sections 4 (Part B), 6, 7, 9 and 10*)

any loss, damage, destruction, consequential loss or legal liability directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the *Insured* or not

- (a) correctly to recognise any date as its true calendar date;
- (b) to capture, save or retain, or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date;
- (c) to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save or retain or correctly to process such data on or after any date;

but this shall not exclude subsequent *Damage* to the *Insured's* property, including hired in

plant and hired temporary buildings, or *Consequential Loss* which itself results from a *Defined Peril* and not otherwise excluded under this Policy.

**3 Electronic Data** (*not applicable to Sections 4 (Part B), 6, 7, 9 and 10*)

any loss, damage, destruction, distortion, erasure, corruption or alteration of *Electronic Data* from any cause (including, but not limited to *Virus or Similar Mechanism* or *Hacking* or *Denial of Service Attack*) or any resultant loss of use, reduction in functionality, cost or expense of any nature, regardless of any other cause or event contributing concurrently or in any other sequence, unless any such loss or damage results from a *Defined Peril* and is not otherwise excluded.

**4 More Specific Insurance** (*applicable to Sections 1 to 6 inclusive and 8*)

any loss or destruction of or damage to any property more specifically insured by or on behalf of the *Insured*.

**5 Mould and Fungus** (*not applicable to Section 6, 7 and 9*)

any loss or destruction of or damage to any property, or any loss or cost or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by, or contributed to by, or arising from *Fungal Pathogens*, regardless of whether there is another cause which may have contributed concurrently or in any sequence.

**6 Northern Ireland** (*applicable to Sections 1 to 5 inclusive and 8*)

any loss or destruction of or damage to any property in Northern Ireland, or loss resulting therefrom, caused by or happening through or in consequence of

- (a) civil commotion;
- (b) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any *Unlawful Association*.

In any action, suit or other proceedings where the *Insurer* alleges that by reason of this

Exception any loss, destruction or damage is not covered by this insurance (or is covered only up to a Limit of Liability as stated in the *Schedule*), the burden of proving that such loss, destruction or damage is covered (or is covered beyond that Limit of Liability) shall be upon the *Insured*.

**7 Pollution or Contamination (applicable to Sections 1 to 6 inclusive and 8)**

any loss, damage, destruction or consequential loss of any kind resulting from *Pollution or Contamination*, but this exclusion shall not apply to

(a) *Damage* insured under Sections 1 or 8, or *Consequential Loss*, insured under Section 2, caused by

(i) *Pollution or Contamination* which itself results from a *Defined Peril*, or for the purposes of Section 8 from a cause not otherwise excluded;

(ii) a *Defined Peril*, or for the purposes of Section 8 from a cause not otherwise excluded, which itself results from *Pollution or Contamination*.

**9 Radioactive Contamination (not applicable to Sections 6 and 9)**

any loss or destruction of or damage to any property, or any loss or cost or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by, or contributed to by, or arising from

(a) ionising radiations, or contamination by radioactivity, from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel;

(b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly, or nuclear component thereof.

With regard to Section 7 Part A (Employers Liability) this Exception shall apply only when the *Insured*, under a contract or agreement, have undertaken to indemnify another party or assume the liability of another party for liability which would not have attached in the absence of such contract or agreement.

**9 Terrorism (not applicable to Section 6 or Section 7 Part A)**

any loss, damage, injury, legal liability cost or expense of whatsoever nature directly or indirectly caused by, or contributed to by, or arising from or in connection with

(a) any Act of *Terrorism*, regardless of whether there is another cause which may have contributed concurrently or in any sequence;

(b) any action taken in controlling, preventing, suppressing or in any way relating to any Act of *Terrorism*.

If the *Insurer* alleges that by reason of this Exception any loss, damage, injury, legal liability, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the *Insured*.

**10 War and Similar Risks (not applicable to Section 6 Terrorism)**

any loss, damage or legal liability of whatsoever nature, directly or indirectly caused or occasioned by, or happening through, or in consequence of

(a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power, or confiscation, nationalisation, requisition, or destruction of or damage to property by, or under the order of any government or public authority, or

(b) any action taken in controlling, preventing, suppressing or in any way relating to any of the above.

**GENERAL POLICY CONDITIONS** (*applicable to the whole Policy except where indicated*)

**1 Average (Underinsurance)** (*applicable to Sections 1, 3, and 6 only*)

Unless more specifically stated in the Policy or the *Schedule*, each *Sum Insured* shall be subject to Average. Whenever a *Sum Insured* is subject to Average, if at the time of any *Damage* such *Sum Insured* is less than the total value of such property, then the *Insured* shall be considered as being their own *insurer* for the difference and shall bear a rateable share of the loss accordingly. Section 2 has its own Special Condition relating to Underinsurance.

**2 Computer Records** (*applicable to Sections 1, 2, 3, 6, 9 and 10 only*)

The *Insured* shall maintain a minimum of two generations of back-up computer records and *Software* taken at intervals no less frequently than every forty-eight hours, one copy as a minimum being held off site.

**3 Fire Protections** (*applicable to Sections 1 to 6 only*)

**Fire Alarms**

It is a condition precedent to the liability of the *Insurer* that, where the *Insurer* requires that the *Premises* are protected by an automatic fire alarm installation, the *Insured* will

- (a) carry out the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed;
- (b) carry out the maintenance procedures specified by the manufacturers of the equipment;
- (c) notify the *Insurer* immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for twelve hours or more;
- (d) record details of all events such as alarm faults, tests, maintenance and disconnections and keep such details available for examination by the representatives of the *Insurer*.

**Fire Break Doors and Shutters**

It is a condition precedent to the liability of the *Insurer* that all fire break doors and shutters shall be kept closed at all times, unless in constant use during working hours, and shall be maintained in efficient working order.

**Sprinkler Maintenance**

It is a condition precedent to the liability of the *Insurer* that, where the *Insurer* requires that the *Premises* are protected by an automatic sprinkler system, the system is

- (a) maintained in good working order;
- (b) in full and effective operation unless otherwise agreed by the *Insurer*;
- (c) under a contract for maintenance and half yearly inspections with engineers approved by the *Insurer* and any defects, faults or shortcomings revealed by such tests are immediately rectified unless otherwise agreed by the *Insurer*;
- (d) tested by the *Insured* in accordance with the requirements of the *Insurer* and the Sprinkler Test card provided by them;

throughout the currency of this Policy.

**4 Interpretation**

In this Policy

- (a) reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time, whether before or after the date of the inception of this Policy;
- (b) reference to any statutory or other body shall include the successor to that body;
- (c) words importing the singular include the plural and vice versa and references to persons include bodies corporate or unincorporated. Words importing any gender shall include all genders;
- (d) if any term, condition, exclusion or Endorsement, or part thereof is found to be

invalid or unenforceable, the remainder shall remain in full force and effect;

- (e) the headings are for reference only and shall not be considered when determining the meaning of this Policy.

## 5 Policy Voidable

This Policy shall be voidable by the *Insurer* in the event of misrepresentation, mis-description or non-disclosure of any material particular.

## 6 Precautions and Reasonable Care

The *Insured* shall take all reasonable precautions

- (a) for the safety of and to avoid, prevent or minimise any *Damage* to the Property Insured or Business Equipment;
- (b) to avoid, prevent or minimise any injury to others or damage to their property;
- (c) to prevent the sale of or supply of *Products* which are defective in any way;

which might give rise to a claim under this Policy.

The *Insured* shall also

- (a) comply with all statutory and other obligations and regulations imposed by any authority;
- (b) maintain the *Premises*, machinery, plant and equipment and other services (including fire, security and safety equipment) in a satisfactory state of repair;
- (c) exercise reasonable care in the selection and supervision of *Employees* and in the employment of competent staff;
- (d) in the event of discovery of any defect or danger immediately cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.

## 7 Security (not applicable to Sections 7 and 10)

### Intruder Alarm System

It is a condition precedent to the liability of the *Insurer*, in respect of loss or damage following entry or attempted entry into, or exit from the *Premises*, by forcible and violent means, that where the *Insurer* requires for the *Premises* to be protected by an *Intruder Alarm System* whilst the *Premises* are unattended

- (a) the *Premises* shall be protected by an *Intruder Alarm System* and means of communication used to transmit signals from such alarm, which is designed, installed and maintained as agreed with the *Insurer*;
- (b) the *Protected Premises* shall not be left without at least one *Responsible Person* in attendance without the agreement of the *Insurer*
  - (i) unless the *Intruder Alarm System* is set in its entirety, with all means of communication used to transmit signals in full operation;
  - (ii) if the Police have withdrawn their response to alarm calls;
- (c) in the event of notification of any activation of the *Intruder Alarm System*, or interruption of any means of communication, during any period that the *Intruder Alarm System* is set, a *Keyholder* shall attend the *Premises* as soon as reasonably possible, in order to confirm the security of the *Premises* and reset the *Intruder Alarm System* in its entirety. If the *Intruder Alarm System* cannot be reset in its entirety, or all the means of communication used to transmit signals are not in full operation, a *Keyholder* must remain at the *Premises* unless otherwise agreed in writing by the *Insurer*;
- (d) the *Insured* shall advise the *Insurer*, as soon as possible and in any event not later than 10.00am on the *Insurer*' next working day
  - (i) if Police attendance in response to alarm signals or calls from the *Intruder Alarm System* may be

withdrawn, or the level of response reduced or delayed;

- (ii) of any notice given by a Local Authority or Magistrate imposing any requirement for abatement of nuisance;
- (iii) if the *Intruder Alarm System* or the means of communication used to transmit signals from such installation, cannot be returned to or maintained in full working order;

and the *Insured* shall comply with any subsequent requirements stipulated by the *Insurer*;

(e) no alteration or substitution of

- (i) any part of the *Intruder Alarm System*;
- (ii) the structure of the *Premises*, or changes to the layout of the *Premises* which would affect the effectiveness of the *Intruder Alarm System*;
- (iii) the means of communication used to transmit signals from the *Intruder Alarm System*;
- (iv) the procedures agreed with the *Insurer* for Police or any other response to any activation of the *Intruder Alarm System*;
- (v) the maintenance contract;

shall be made without the written agreement of the *Insurer*;

- (f) the *Insured* shall maintain a secrecy of the codes and security of keys and setting and unsetting devices for the operation of the *Intruder Alarm System* and no information relating to such codes or security shall be left on the *Premises*. All keys and other setting and unsetting devices for the *Intruder Alarm System* must be removed from the *Premises* when the *Premises* are left unattended;
- (g) 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 the *Insurer*;

- (h) the *Insured* shall appoint at least two *Keyholders* and lodge written details (which must be kept up to date) with the alarm company, and with the Police if they so require.

### **Protections**

It is a condition precedent to the liability of the *Insurer* that all protections in force at the *Premises* at the inception of this insurance, or subsequently as stipulated by or agreed by the *Insurer*, shall be in full operation securing the *Premises* outside *Business Hours*;

### **8 Unoccupied Building(s) (not applicable to Sections 7 Parts A and C, 8 and 9)**

It is a condition precedent to the liability of the *Insurer* that immediate notice shall be given to the *Insurer* when any *Building(s)* become(s) *Unoccupied*, or any *Unoccupied Building(s)* or portion thereof become(s) occupied, and the *Insurer* shall have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium, which shall be paid by the *Insured* if required.

Upon a *Building* becoming *Unoccupied* the indemnity provided by the *Insurer* shall only apply to *Damage* solely caused by, or consequent upon fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom.

It is also a condition precedent to the liability of the *Insurer* that when any *Building(s)* become(s) *Unoccupied*

- (a) the *Premises* are secured against illegal entry, with all windows at ground level boarded or bricked up and with all windows at all other floor levels firmly secured so as to prevent unauthorised entry;
- (b) all mains services are disconnected and all water pipes and tanks are drained down;
- (c) all letterboxes are sealed to prevent insertion of any materials or liquids;

- (d) the *Premises* are kept clear of all moveable combustible material;
- (e) the *Insured*, or an authorised employee or the *Insured's* appointed agent, inspects the *Premises* at least once each week and
  - (i) all defects in maintenance or security are rectified immediately;
  - (ii) records of these inspections are kept and are available for examination by the *Insurer*;
- (f) there is no refurbishment or renovation work, unless previously agreed by the *Insurer*.

## 9 Material Change

This Policy shall be voided if after the inception of the *Period of Insurance*

- (a) there has been any material change to the risk insured which has increased the risk of loss, *Damage*, *Consequential loss* or legal liability; or
- (b) the *Insured's* interest ceases except by will or operation of law; or
- (c) the *Business* of the *Insured* is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or
- (d) any change is made in the description of the *Business*;

unless such alteration has been accepted by the *Insurer* in writing.

## 10 Cancellation

- (a) If the *Premium* for this insurance is paid by periodic instalments, whether by direct debit or otherwise, in the event of default in the payment of any instalment, for whatever reason, this insurance shall cease seven days after the date of non-payment, subject to the Consumer Credit Act 1974 if applicable and any amending or subsequent legislation.
- (b) Otherwise, this insurance may be cancelled by the *Insurer* sending thirty days' notice

by recorded delivery letter to the last known address of the *Insured* stating the reason for cancellation. Where this Condition is exercised and subject to no claim having been paid or being outstanding (in whole or in part), the *Insured* shall become entitled to a return of premium paid in respect of the unexpired portion of the *Period of Insurance*, after any adjustment of the *Premium* paid as provided for by any conditions of this Policy.

## 11 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999, or any amending or subsequent legislation, to enforce any term of this contract, but this does not affect any right or remedy of a third party which exists, or is available apart from that Act.

## 12 Premium Adjustment

If any part of the *Premium* is based on estimates provided by the *Insured*, the *Insured* shall keep an accurate record containing all relevant information and shall at any time allow the *Insurer* to inspect such record. The *Insured* shall within ninety days after the expiry of each *Period of Insurance* furnish the relevant information, including but not limited to wage roll and turnover, as the *Insurer* may require.

The *Premium* shall then be adjusted and the difference paid by or allowed to the *Insured*, subject to any Minimum Premium required within thirty days of receipt of the *Insurer's* adjusted premium calculations. The *Insurer* reserves the right to request the *Insured* to supply an auditor's certificate attesting to the accuracy of any information furnished to the *Insurer*.

Where such estimates include remuneration to employees, the required declaration shall also include remuneration to all persons defined as employees by this Policy. Failure to declare such particulars to the *Insurer* shall entitle the *Insurer* to estimate, if they so wish, such particulars and to assess further premium payment due calculated on such estimated particulars.

### 13 Choice of Law, Jurisdiction and Disputes

Unless otherwise agreed by the *Insurer* and the *Insured*, this Policy shall be subject to and construed solely in accordance with the relevant law of that part of the *United Kingdom* applicable to the registered address, or principal place of business, of the *Insured*.

Any dispute between the parties concerning this insurance, or the interpretation of the terms of this Policy, shall be resolved by the courts of that same part of the *United Kingdom*.

If there is any dispute as to which law applies, it will be the law of England and Wales.

### 14 Insurable Interest

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

### 15 Conditions Precedent to Liability

The following conditions are precedent to the liability of the *Insurer* under this Policy and if they are breached no cover will be provided

- (a) the *Insured* must observe and fulfil the terms of this Policy insofar as they relate to anything to be done or complied with by the *Insured*;
- (b) the *Insured* must pay to the *Insurer* all Premiums due to the *Insurer*, together with all taxes (including Insurance Premium Tax) due on the Premiums;
- (c) all statements, answers and information supplied to the *Insurer*, by or on behalf of the *Insured* in connection with this Policy, must be truthful and complete.

## CLAIMS CONDITIONS

### 1 Claim Notification and Subsequent Action

#### Action by the *Insured* in respect of Sections 1 to 6 inclusive and Sections 8 and 9

It is a condition precedent to the liability of the *Insurer* that, if any event occurs which may give rise to a claim under this Policy, the *Insured* shall

- (a) give immediate notice to
  - (i) the *Insurer* via the broker or intermediary as stated in the *Schedule*, and
  - (ii) in respect of any theft, attempted theft, *Employee Dishonest Act*, riot, malicious damage, accidental loss or Act of *Terrorism* (if and to the extent that *Terrorism* is insured by this Policy), also the Police Authority;

#### (b) within

- (i) seven days in the case of *Damage* caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
- (ii) thirty days of the expiry of the *Indemnity Period* in respect of a claim under Section 2 of this Policy;
- (iii) thirty days of the occurrence of any other event;

supply at its own expense full details of the claim in writing together with any supporting information, receipts and proofs which the *Insurer* may reasonably require.

#### Action by the *Insured* in respect of Section 7

It is a condition precedent to the liability of the *Insurer* that the *Insured*, or their legal personal representatives, shall give notice in writing to the *Insurer*, as soon possible, after any event that may give rise to liability with full particulars of such event. Every claim, notice, letter, writ, or process, or other document served on the *Insured* shall be forwarded to the *Insurer* immediately upon receipt.

No admission, offer, promise, payment or indemnity shall be made or given, by or on behalf of the *Insured* without the written consent of the *Insurer*.

### **Actions by the *Insured* in respect of Section 10**

Refer to Section 10, Conditions 2 – Claims.

## **2 Claims Co-operation**

The *Insured* will provide all help and assistance and co-operation required by the *Insurer* in connection with any claim.

## **3 Claims Conduct and Control (applicable to Section 7 only)**

The *Insurer* shall be entitled, if it so desires, to take over and conduct, in the name of the *Insured*, the defence or the settlement of any claim and to prosecute, in the name of the *Insured* (whether before or after indemnifying the *Insured*), any claim for indemnity, or damages, or otherwise against all other parties or persons. The *Insurer* shall have full discretion in the conduct of any proceedings and in the settlement of any claim against the *Insured* (including compliance with such relevant Practice Directions and Pre-Action Protocols as may be issued and approved by the Lord Chief Justice) and the *Insured* shall give all such information and assistance as the *Insurer* may require.

## **4 Discharge of Liability (applicable to Section 7 only)**

The *Insurer* may at any time at its sole discretion

(a) under Section 7 Part A, pay to the *Insured* the *Limit of Indemnity* (less any sum or sums already paid in respect or in lieu of *Compensation* and less other costs and expenses already paid or incurred prior to such payment ) or any lesser sum for which the claim, or claims against the *Insured* can be settled and the *Insurer* shall not be under any further liability in respect of such claim or claims;

(b) under Section 7 Parts B and C, pay to the *Insured* the *Limit of Indemnity* (less any sum or sums already paid in respect or in lieu of *Compensation*) or any lesser sum

for which the claim, or claims against the *Insured* can be settled and the *Insurer* shall not be under any further liability in respect of such claim or claims, except for other costs and expenses for which the *Insurer* may be responsible incurred prior to such payment.

However, in the event of a claim, or series of claims, resulting in the liability of the *Insured* to pay a sum in excess of the *Limit of Indemnity*, the *Insurer's* liability, under Section 7 Part A and B, for costs and expenses under General Policy Extension 1 (Defence Costs and Expenses), shall not exceed an amount being in the same proportion as the *Insurer's* payment to the *Insured* for *Compensation* bears to the total payment made by or on behalf of the *Insured* in settlement of the claim or claims.

## **5 Arbitration (applicable to Sections 1 to 6 inclusive and 8)**

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

## **6 Contribution**

### **Applicable to Sections 1 to 6 inclusive and 8**

Should any loss, destruction, damage or liability covered by this Policy (whether in whole or part) also be covered by any other insurance (or would be but for the existence of this Policy), the *Insurer* shall not be liable for more than their rateable proportion.

If the other insurance is subject to a condition of average and this Policy is not, then this Policy shall become subject to the same condition of average.

If the other insurance is subject to any provision excluding proportional payment (whether in whole or part) or from contributing rateably, the liability of the



*Insurer* shall be limited to that proportion of the loss, destruction, damage or liability which the *Sum Insured* under this Policy bears to the value of the property.

#### **Applicable to Section 7, 9 and 10**

If, at the time of any event to which this Policy applies, there is, or but for the existence of this Policy there would be, any other insurance covering the same liability, the *Insurer* shall not be liable under this Policy, except in respect of any excess beyond the amount which would be payable under such other insurance, had this Policy not been effected.

### **7 Fraud**

If any claim made under this Policy by the *Insured*, or anyone acting on behalf of the *Insured*, or by any other party claiming to be indemnified, is fraudulent or intentionally exaggerated, or if any false declaration or statement shall be made in support of a claim, the *Insurer* may, at its option

- (a) avoid the policy from the inception of this insurance, or
- (b) cancel the Policy from the date the claim is made and repudiate the claim, or
- (c) repudiate the claim.

### **8 Insurer's Rights following a Claim**

On the happening of any event in respect of which a claim is, or may be made under this Policy, the *Insurer* (and every person authorised by them) shall have the right, without incurring any liability or diminishing their right to rely on any condition of this insurance, to enter the *Premises* where the event has occurred. The *Insurer* shall also have the right to take and keep possession of any of the Property Insured or Business Equipment (or require it to be delivered to them), and to deal with any salvage in a reasonable manner. No claim under this Policy shall be payable unless the terms of this Condition have been complied with.

No property shall be abandoned to the *Insurer*, whether taken possession of by them or not.

This Condition shall be evidence of permission from the *Insured* to the *Insurer* to exercise these rights. If the *Insured*, or anyone acting on behalf of the *Insured*, shall not comply with the requirements of the *Insurer*, or shall hinder or obstruct the *Insurer* in exercising these rights, then all benefit under this Policy shall be forfeited.

#### **Applicable to Sections 1 to 6 inclusive and 8 and 10 only**

The *Insurer* may at any time pay the amount of the Limit of Liability to which the claim applies and be under no further liability in respect of that claim.

### **9 Reinstatement of Damage**

If the *Insurer* elects, or becomes bound to reinstate or replace any property, the *Insured* shall at its own expense provide all such plans, documents, books and information as the *Insurer* may reasonably require. The *Insurer* shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner, and shall not in any case be bound to expend in respect of any one of the Items insured more than its *Sum Insured*.

### **10 Subrogation (not applicable to Section 7, but see Claims Condition 3)**

Any claimant under this Policy shall, at the request and expense of the *Insurer*, take and permit to be taken all necessary steps for enforcing rights and remedies against any other party in the name of the *Insured*, whether such steps are or become necessary before or after any payment is made by the *Insurer*.

The *Insurer* agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against

- (a) any Company standing in the relation of parent to subsidiary (or subsidiary to parent) of the *Insured*;
- (b) any Company which is a subsidiary of a parent Company of which the *Insured* themselves are a subsidiary

within the meaning of the Companies Act(s).

**W.R. Berkley Insurance  
(Europe), Limited**

Registered Office: 40 Lime Street, London  
EC3M 7AW  
Registered in England & Wales 4681277