

COMMERCIAL PROPERTY OWNERS POLICY

Contessa
Limited





**COMMERCIAL PROPERTY OWNERS
POLICY**

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INTRODUCTION AND YOUR OBLIGATIONS

Thank *You* for choosing Contessa Limited.

Your Policy documents are enclosed.

It is important that *You* read all *Your* documents carefully and let *Your Agent* know as soon as reasonably possible, and in any case within 7 (seven) days, if the insurance does not meet *Your* requirements or if any information is inaccurate or incomplete.

Your Obligations at Presentation of The Risk and/or Renewal

You have an obligation at presentation of the risk to *Us* at inception and renewal and variation of the *Policy*, to make a fair presentation disclosing to *Us* all material facts and circumstances, including those material facts and circumstances which would have been revealed to *You* by conducting a reasonable search. Failure to do so may entitle *Us* to:

- a) avoid the *Policy* from inception and/or renewal with the result that the cover is deemed never to have come into force; or
- b) if *We* would have imposed additional or different terms and conditions to the *Policy* if *You* had made a fair presentation including disclosing all material facts and circumstances, treat the *Policy* as if it had contained those terms and conditions from inception; and/or
- c) if *We* would have charged a higher premium but for *Your* failure to make a fair presentation which includes disclosing all material facts or circumstances, make a proportionate reduction to the value of *Your* claim in accordance with the formula set out in Schedule 1, paragraph 6 of the Insurance Act 2015 or (if the failure to make a fair presentation or to disclose a material circumstance relates to a variation to an existing policy) the formula set out in Schedule 1, paragraph 11 of the Insurance Act 2015.

For the avoidance of doubt, the consequence referred to at c) may apply in addition to b).

However, if *You* or *Your Agent* have acted deliberately or recklessly in failing to make a fair presentation and failing to disclose all material facts and circumstances then *We* may be entitled to avoid the *Policy* from inception and/or renewal and retain any *Premiums* paid.

Making a fair presentation includes the disclosure of material facts and circumstances which the Underwriter/*We* may wish to know in deciding whether to underwrite the risk and/or the terms upon which to underwrite the risk. They may be relevant either to the physical risk or to the personal background and characteristics (including financial) of *You* and/or any director, partner, officer and/or principal of *Your Business*. It is important that *Your Business* should have a system in place to ensure that all material facts and circumstances are disclosed in order to be able to make a fair presentation.

Should *You* be in any doubt as to whether information is accurate or material, *You* should discuss it with *Your Agent*. If in doubt, *You* should disclose it. *We* are keen to work in partnership with *You* to avoid any misunderstandings.

Setting Your Sums Insured

This *Policy* requires *You* to specify a *Total Sum Insured* for each category of *Property Insured* and/or a *Sum Insured* for individual items of *Property Insured*. For example, if *You* wish to insure several different *Buildings* under Section 1, the *Total Sum Insured* for Section 1 *Buildings* should represent the total cost

of rebuilding all of these, as explained further below. *You* may also wish to specify a *Sum Insured* for each individual *Building*.

For *Landlords Contents* the *Total Sum Insured/ Sum Insured* should represent the cost of buying a new replacement of the item(s) in question.

To ensure that *You* recover an adequate indemnity in the event of a loss it is essential that the *Sums Insured* and total *Sums Insured* and *Total Sum Insured* are accurate. Otherwise, the amount payable by *Us* in the event of a claim may be reduced in proportion to the amount of any underinsurance.

Accordingly, the *Sums Insured* and *Total Sums Insured* should reflect up-to-date cost of rebuilding and /or values (as appropriate) of all items which *You* want to insure. **Please note:**

- The cover provided for *Buildings* and *Landlords Contents* is on a Reinstatement basis (unless specified otherwise) which means that *You* should set the *Sums Insured* and *Total Sums Insured* for these items carefully by reference to the full cost of rebuilding the *Buildings* to a condition equivalent to when new, or replacing the *Landlords Contents* with equivalent new items. It is important that *You* include an allowance for the cost of *Debris Removal*, *Professional Fees* and any *Increased Cost of Construction* expenses that would be required in order to reinstate the property were it to be completely destroyed.

We would strongly recommend that *You* discuss these aspects with *Your Agent*.

Payment of Premium

It is a **condition precedent** to *Our* liability that the amount of *Premium* due must be paid in full to *Your Agent* within 60 (sixty) days of inception of the *Policy*. If *You* do not make payment within 60 (sixty) days all cover under the *Policy* will be cancelled, other than for Section 4 – Employers’ Liability, and *We* will not be liable to indemnify *You* for *Your* claim. In addition if *You* do not pay the *Premium* in full within 60 (sixty) days of inception of the *Policy* *We* reserve *Our* right to issue notice of cancellation as per Cancellation Conditions of the *Policy*.

In respect of any additional *Premium*, due following an amendment to *Your Policy*, this must be paid in full to *Your Agent* within 60 (sixty) days of the effective date of the amendment. Failure to do so will result in the coverage provided by this amendment being cancelled by giving no less than 14 (fourteen) days’ notice in writing to *Your Agent*.

Cancellation – Not applicable to Section 4 – Employers’ Liability

This *Policy* may be cancelled at any time at *Your* request in writing to *Your Agent* who effected the *Policy*, and the *Premium* hereon shall be adjusted on the basis of the *Underwriters* receiving or retaining a minimum of 33.33% of the annual *Premium* in respect of Sections 1 – Buildings and Section 2 – Rental Income, and 100% of the annual *Premium* in respect of Section 3 – Property Owners Liability and Section 4 - Employers’ Liability, but where the *Premises* are *Unoccupied* at inception of the *Policy*, the amount retained by *Underwriters* in respect of Sections 1 – Buildings and Section 2 – Rental Income is amended as follows:

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

Provided that;

- a) no claims have been made under the *Policy* for which *Underwriters* have made a payment
- b) no claims have been made under the *Policy* which are still under consideration

- c) no event has occurred which may give rise to a claim but has yet to be reported to *Underwriters*

The cost(s) of any survey fees incurred by *Underwriters* will be deducted from any return *Premium* due. Notwithstanding anything contained within the Survey Clause, this *Policy* may also be cancelled by or on behalf of the *Underwriters* by 14 days' notice given in writing to *You* through *Your Agent*, and the *Premium* hereon shall be adjusted on the basis of the *Underwriters* receiving or retaining pro rata *Premium*. Notice shall be deemed to be duly received in the course of the post if sent by pre paid letter-post properly addressed.

Survey

At presentation and/or renewal *We* may require a survey of some or all of the *Property Insured*.

Your obligations in respect of survey requirements are set out more fully under *Policy Endorsement* CP19 – Survey Condition on page 45 of the *Policy*.

The Contract Wording

The *Policy* is a legal contract but designed to be as easy to understand as possible. The *Proposal*, the *Policy*, the *Schedule* (including any *Schedule* issued in addition or substitution) and any *Endorsements* shall be considered as one legal document.

Wherever a word appears in *italics*, *You* will find a full definition at pages 49-54 of the *Policy* or in Section Definitions.

We strongly recommend that *You* read the *Policy* (to include the *Schedule* and any *Endorsements*) to ensure that *You* understand it and that it accords with *Your* wishes.

Your Obligations under the Policy

The *Policy* imposes certain obligations upon *You* which if not complied with may invalidate the insurance or a claim.

Some of these obligations are expressed to be **conditions precedent**. Because of the importance of these clauses, which *We* explain below, each time a clause is expressed to be a **condition precedent** *We* have used bold type to draw *Your* attention to it.

Conditions Precedent

Conditions precedent are extremely important. If *You* are in breach of any of these obligations at the time of a loss, *We* will have no obligation to indemnify *You* in relation to any claim for that loss. However if a **condition precedent** is intended to reduce the risk of loss of a particular kind, at a particular location or at a particular time, *We* will not rely on the breach of that **condition precedent** to exclude, limit or discharge *Our* liability if the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Subject to any other rights which *We* may have under and/or with respect to the validity of the *Policy*, the *Policy* will remain in existence.

Steps to be taken if You cannot comply

If *You* are unable to comply with any **condition precedent** *You* should contact *Us* as soon as reasonably possible, and in any case within 7 (seven) days, through *Your Agent*. *We* will decide whether *We* might be prepared to agree a variation of the *Policy*. **All conditions precedent remain effective unless *You* receive written confirmation of a variation from *Us* through *Your Agent*.**

Claims Procedure

If any incident occurs which might result in a claim *You* should report this to *Us* through *Your Agent* (whose details will appear on the *Schedule*.)

You should refer to the Claims Procedure on pages 32-33 of the *Policy* for full details of the claims procedure since failure to comply may invalidate *Your* claim.

Please also note *Our* position as regards fraud on page 33 of the *Policy*.

THE CONTRACT OF INSURANCE & GENERAL INSURING CLAUSE

This insurance is underwritten by Contessa Limited on behalf of various insurers (*We/Us/Our*) as fully described in the *Schedule*.

This *Policy*, the *Schedule* and any *Endorsements* are evidence of the legally binding contract of Insurance between *Us* and *You*.

We will, subject to the terms and conditions of the *Policy*, the *Schedule* and any *Endorsements*, indemnify *You* against loss or *Damage* sustained or legal liability incurred during the *Period of Insurance* stated in the *Schedule* for which a *Premium* has been accepted.

You have applied to *Us* for insurance by providing a *Proposal* and/or other information, and have agreed to pay *Premium* to *Us* in accordance with the Payment of *Premium* **condition precedent** on Page 4 of the *Policy*.

In return, *We* have agreed to provide the insurance described in the *Policy* for the *Period of Insurance* specified in the *Schedule*.

The Proposal, the *Policy* Wording, the *Schedule* (including any *Schedule* issued in addition or substitution) and any *Endorsements* shall be considered one document and together constitute the contract between *You* and *Us*.

Any expression to which a specific meaning has been attached shall bear that meaning wherever it appears, whether or not it appears with capital letters and regardless of the typeface used.

A handwritten signature in black ink, appearing to read "Kurt Stinson". The signature is written in a cursive, somewhat stylized font. The name "Kurt" is written in a larger, more prominent script, while "Stinson" is written in a smaller, more compact script. The signature is positioned above the text "Signed by Contessa Limited".

Signed by Contessa Limited

SECTION 1 - BUILDINGS

Section Definitions

The following Section Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section. They should also be read in conjunction with the Definitions on pages 49-54. In the event of any inconsistency, the Section Definitions shall prevail.

Removal of Debris means: Costs and expenses necessarily incurred by the *Insured* with the consent of the *Underwriters* in:

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

as a result of *Damage* hereby insured against.

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

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

European Community and Public Authorities means:

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

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

Excluding;

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

Architects Surveyors Legal and Consulting Engineers Fees means:

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

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

Section 1.1 – Buildings (Reinstatement Basis of Indemnity)

Cover and Basis of Indemnity

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

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

Special Conditions

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

Limit of Indemnity

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

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

But:-

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

Excess

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

Average

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

If at the time of repair or rebuilding or replacement the *Cost of Reinstatement* which would have been incurred in reinstatement if the whole of the property by such item had been destroyed exceeds the *Sum Insured* thereon at the

commencement of any *Damage* to such property then the *Insured* shall be considered as being their own insurer for the difference between the *Sum Insured* and the sum representing the *Cost of Reinstatement* of the whole of the property and shall bear a rateable proportion of the loss accordingly.

General

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

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

Section 1.2 – Buildings (Indemnity)

(applicable only if specified in the *Policy Schedule*)

Cover and Basis of Indemnity

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

Limits of Liability

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

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

But:-

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

Excess

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

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

Average or Underinsurance

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

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

Extensions Applicable to Section 1 – Buildings

Landlords Contents

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

Reinstatement of Sum Insured

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

Sale of Property Insured

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

Services Clause

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

The following Extensions apply unless shown as otherwise on the *Schedule*:

Additional Metered Water Charges

Additional metered water charges incurred by the *Insured* as a result of *Damage* except those in respect of any loss which has not been discovered and remedial action taken within 30 (thirty) days of the occurrence of the *Damage* provided that the maximum amount payable under this Extension in any one *Period of Insurance* shall not exceed £5,000, unless specified otherwise on the *Schedule*.

Book Debts

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

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

the total *Sum Insured* stated in the *Schedule* at the time of the *Damage*

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

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

- 1) the difference between:
 - a) *Outstanding Debit Balances* and
 - b) the total of the amounts received or traced in respect thereof

- 2) the additional expenditure incurred with the previous consent of the *Underwriters* in tracing and establishing Customers' debit balances after the *Damage* provided that if the *Sum Insured* by this Item be less than the *Outstanding Debit Balances* the amount payable shall be proportionately reduced.

The *Underwriters* will pay the reasonable charges payable by the *Insured* to their professional accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the *Underwriters* under the terms of this *Policy* and reporting that such particulars or details are in accordance with the *Insured's* books of

account or other business books or documents provided that the sum of the amount payable under this Extension and that amount otherwise payable under this Section shall in no case exceed the total *Sum Insured* hereby.

Underwriter's liability under this Extension is limited to £10,000 in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Capital Additions

Subject to its terms and conditions;

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

and

b) alterations additions and improvements to *Buildings* but not in respect of any appreciation in value

anywhere in the *Territorial Limits* provided that;

i) at any one situation this cover shall not exceed 10% of the *Sum Insured* by this Section but in no case exceeding £1,000,000

ii) the *Insured* undertakes to give particulars of such extension of cover as soon as reasonably possible and in any event within 6 (six) months of any newly acquired and/or newly erected *Buildings* or alterations additions and improvements to *Buildings* and to effect specific insurance thereon retrospective to the date of the commencement of the *Underwriters'* liability

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

Damage to Landscaped Gardens

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

Damage to Cables and Underground Pipes

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

Extinguishment and Alarm Resetting Expenses

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

Glass

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

a) The reasonable cost of boarding up rendered necessary by such breakage

b) The reasonable cost of repairing or replacing window frames and framework consequent upon the breakage of *Glass*

c) The reasonable cost of refitting alarm foil consequent upon the breakage of *Glass*.

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

a) The amount of the *Excess* specified in the *Schedule*

b) Consequential loss of any kind or description except as stated herein to the contrary

c) Any breakage arising directly or indirectly from: -

- i) alterations or repairs to the *Premises* or occurring whilst the *Premises* are empty or not in use
- ii) defects in frames, framework or other fittings.

Provided that the liability of *Underwriters* shall not exceed £5,000 in respect of any one claim during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Personal Possessions

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

Removal of Debris - Tenants Contents

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

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

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

Provided that the maximum amount payable under this Extension in any one *Period of Insurance* shall not exceed £5,000, unless specified otherwise on the *Schedule*.

Theft of Keys

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

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

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

Provided that the maximum amount payable under this Extension in any one *Period of Insurance* shall not exceed £5,000, unless specified otherwise on the *Schedule*.

Trace and Access

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

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

Provided that in respect of a) the *Defined Peril* of escape of water from any tank apparatus or pipe is operative or in respect of b) CP1 - Accidental Damage Extension is operative.

The maximum amount payable under this Extension shall not exceed in any one *Period of Insurance* £5,000, unless specified otherwise on the *Schedule*.

Unauthorised Use of Utilities

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

Conditions applicable to Section 1 - Buildings

Mortgagees and Other Interests

The interest of the Leaseholder(s), Mortgagee(s) and Tenant(s) in the individual portions of the *Property Insured* to which their interest applies is noted such interest to be advised to the *Underwriters* in the event of a claim. In addition, if, without the knowledge of the *Insured* or Mortgagee(s) or in circumstances that are beyond their control, there is a change in the use of the *Premises* which constitutes an increase in the risk of *Damage*, cover under this *Policy* shall not be prejudiced provided that the *Insured* or Mortgagees shall, as soon as reasonably possible, and in any case within 7 (seven) days, on becoming aware thereof give notice in writing to the *Underwriters* and on demand pay such reasonable additional premium as the *Underwriters* may require.

Repairs and Alterations

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

Subrogation Waiver

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

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

Unoccupied Buildings

- a) Whenever the *Property Insured* by this Section or any part of is *Unoccupied* the Unoccupancy **Conditions Precedent** will apply
- b) The *Underwriters* must be notified in writing as soon as reasonably possible, and in any case within 7 (seven) days, if any *Unoccupied Building* or *Unoccupied* portion of a *Building* insured hereby becomes occupied or any occupied *Building* becomes *Unoccupied* and a suitable extra premium paid if required.

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

Value Added Tax

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

SECTION 2 – RENTAL INCOME

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

The insurance is limited to loss due to;

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

and the amount payable as indemnity thereunder shall be;

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

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

provided that;

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

Alternative Trading

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

Automatic Rent Review

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

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

Bomb scare or Unlawful Occupation

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

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

Provided the *Underwriters* will not be liable for;

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

The Insurance by this Extension shall only apply for the period beginning with the loss and ending not later than 3 (three) months thereafter during which the results of the *Business* shall be affected in consequence of a) or b) above.

Buildings Awaiting Sale

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

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

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

Capital Additions

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

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

Provided that;

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

Denial of Access and Loss or Damage at Managing Agents Premises

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

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

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

Failure of Public Supply

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

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

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

Limit of Liability

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

Loss of Attraction

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

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

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

Murder Suicide or Disease

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

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

The insurance by this Extension shall only apply for the period beginning with the occurrence of the loss and ending not later than 3 (three) months thereafter during which the results of the *Business* shall be affected in consequence of the *Damage*.

New Business

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

Annual Gross Rentals - The proportional equivalent for a period of 12 (twelve) months of the *Gross Rentals* realised during the period between the commencement of the *Business* and the date of the *Damage*

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

To which adjustments shall be made as may be necessary to provide for the trend of the *Business* and for variation in or special circumstances affecting the *Business* either before or after the *Damage* or which would have affected the *Business* had the *Damage* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Damage* would have been obtained during the relative period after the *Damage*.

Payments on Account

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

Professional Accountants Charges

The *Underwriters* will indemnify the *Insured* in respect of reasonable fees payable by the *Insured* to their professional accountants for producing any particulars or details contained in the *Insured's Business* books or documents or other such proofs information or evidence as the *Underwriters* may require under the terms of the Claims Procedure (pages 32-33) of the *Policy* and reporting that such particulars or details are in accordance with the *Insured's Business* books or documents.

Rent Free Period

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

Sale of Property Insured

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

Unoccupied Buildings

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

The *Underwriters* will have regard;

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

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

Value Added Tax

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

SECTION 3 – PROPERTY OWNERS LIABILITY

Section Definitions

The following Section Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section. They should also be read in conjunction with the Definitions on pages 49-54. In the event of any inconsistency, the Section Definitions shall prevail.

Damage means: accidental loss or destruction of or *Damage* relating to material property not being the property belonging to *You* or in *Your* charge or under *Your* control.

Cover and Basis of Indemnity

The *Underwriters* will indemnify the *Insured* against all sums the *Insured* shall become legally liable to pay as *Damages* and *Claimant's Costs* and expenses arising out of accidental;

- a) *Bodily Injury* to any person other than an *Employee*
- b) *Damage* to material property
- c) nuisance or trespass, obstruction, loss of amenities or interference with any right of way, air, light or water or other easement

occurring within the *Territorial Limits* during the *Period of Insurance* and happening in connection with the *Business*.

Additional Persons Insured

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

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

Provided always that;

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

Compensation for Court Attendance

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

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

Cross Liabilities Clause

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

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

Data Protection Act 1998 Extension

We will indemnify *You* in respect of liability arising under the Data Protection Act 1998 to pay compensation for *Damages* or distress, provided that:

- a) the process of registration under the above Act has been commenced or completed by *You* and the application has not been refused or withdrawn;
- b) no liability arises as a result of the provision by *You* of the services of a Data Processor.

Our total liability including all costs and expenses shall not exceed £250,000 during any one *Period of Insurance*.

For the purposes of this extension the phrases or words Data Processor and Data shall carry the same meaning as defined under the Data Protection Act 1998.

The Indemnity will not apply to legal liability:

- a) in respect of the recording or provision of Data for reward or for determining the financial status of any person;
or
- b) which arises as a result of *Your* deliberate act or omission and which could reasonably have been expected by *You* having regard to the nature and circumstances of such act or omission.

Defective Premises Act

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

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

Discharge of Liability Clause

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

Limit of Liability

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

In addition the *Underwriters* will pay;

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

Section Exclusions

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

- 1) Any liability arising out of or in any way connected with any work which exceeds 3 (three) metres in depth.
All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.
- 2) Any liability in respect of any claim arising in connection with work undertaken by *You* or any person employed at a height above ground level (or floor level in the case of work inside any building or structure) which exceeds a height of 10 (ten) metres.
All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.

SECTION 4 – EMPLOYERS’ LIABILITY

Cover and Basis of Indemnity

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

Limit of Indemnity

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

Costs and expenses shall be deemed to mean:

1. costs and expenses of claimants for which *You* are legally liable;
2. other costs and expenses incurred with the *Underwriters’* written consent in respect of any claim which may be the subject of indemnity under this Section;
3. solicitors fees incurred with the *Underwriters’* written consent for:
 - a. defence in any Court of Summary Jurisdiction of any proceedings brought against *You* in respect of breach or alleged breach of any statutory duty resulting in *Bodily Injury*;
 - b. representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
4. legal costs and expenses incurred with the *Underwriters’* written consent by *You* and, at *Your* request, any director or *Employee*, and costs awarded against *You* or the director or *Employee* arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the *Period of Insurance* under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - a. the proceedings relate to the health safety or welfare of *Employees*;
 - b. the *Underwriters* will not indemnify *You* in respect of:
 - i. proceedings consequent upon a deliberate act by or omission by *You*, any director or *Employee*;
 - ii. fines or penalties of any kind or the costs of appeal against improvement or prohibition notices; or
 - iii. costs and expenses insured by any other policy.

Additional Persons Insured

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

provided that:

- a) each person shall as though he or she were *You* observe fulfil and be subject to the terms of this Section insofar as they can apply; and
- b) the *Underwriters* shall retain the sole conduct and control of all claims.

Compensation for Court Attendance

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

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

Right of Recovery

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

Unsatisfied Court Judgements

In the event of *Bodily Injury* to an *Employee*, sustained during the *Period of Insurance* and arising out of his or her employment by *You* in the course of the *Business*, which results in a judgement for *Damages* being obtained by such *Employee*, or his or her personal representatives, and which remains unsatisfied in whole or in part 6 (six) months after the date of such judgement, the *Underwriters* will, at *Your* request, pay to the *Employee* or his personal representatives the amount of any such *Damages* and any awarded costs to the extent that they remain unsatisfied provided that:

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

Section Exclusions

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

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

- 2) Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.
- 3) Any liability arising out of work undertaken or operations located *Offshore*.
- 4) More than £5,000,000 including *Claimant's Costs*, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) arising out of one event which falls within the definition of *Terrorism* under this *Policy*.
- 5) More than £5,000,000 including *Claimant's Costs*, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of, mining of, use of, sale of, installation of, survey or investigation of, management of, removal or distribution of, existence of or exposure to asbestos products, asbestos fibres or asbestos dust or property or materials containing any of the foregoing.
- 6) Any liability arising out of or in any way connected with any work which exceeds 3 (three) metres in depth. All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.
- 7) Any liability in respect of any claim arising in connection with work undertaken by *You* or any person employed at a height above ground level (or floor level in the case of work inside any building or structure) which exceeds a height of 10 (ten) metres. All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.

GENERAL EXCLUSIONS

The following *Policy* Exclusions are applicable to all Sections unless otherwise stated.

1. Nuclear Energy Risks Exclusion

This *Policy* excludes Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations.

For the purposes of this *Policy*, Nuclear Energy Risks shall be defined as all first party and/or third party insurances in respect of:

- a) nuclear reactors and nuclear power stations or plant.
- b) any other premises or facilities whatsoever related to or concerned with:
 - (i) the production of nuclear energy or
 - (ii) the production or storage or handling of nuclear fuel or nuclear waste
- c) any other premises or facilities eligible for insurance by any local Nuclear Pool and/or Association.

2. Micro-Organism Exclusion

This *Policy* does not cover any loss, *Damage*, claim, cost, expenses or other sum directly or indirectly arising out of or relating to:

mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is

- a) any physical loss or *Damage* to insured property;
 - i) any *Insured Peril* or cause, whether or not contributing concurrently or in any sequence;
 - ii) any one loss, occupancy or functionality; or
 - iii) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns.

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

3. War and Civil War Exclusion

Notwithstanding anything to the contrary contained herein this *Policy* does not cover loss or *Damage* directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or *Damage* to property by or under the order of any government or public or local authority.

4. Contamination and Pollution Exclusion

- a) This *Policy* shall not cover any loss or *Damage* due to contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease including but not limited to foot and mouth disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health
- b) This Exclusion does not apply if such loss or *Damage* arises out of one or more of the following perils
 - Fire, Lightning, Explosion, Impact or Aircraft

- Vehicle Impact, Sonic Boom
 - Accidental Escape of Water from any Tank Apparatus or Pipe
 - Riot, Civil Commotion, Malicious *Damage*
 - Storm, Hail
 - Flood, Inundation
 - Earthquake
 - Landslide, Subsidence
 - Pressure of Snow, Avalanche
 - Volcanic Eruption
- c) All other terms and conditions of the *Policy* shall be unaltered and especially the exclusions shall not be superseded by this clause.

5. Radioactive Contamination and Explosive Nuclear Assemblies Exclusion

This *Policy* does not cover:

- a) Loss or destruction of or *Damage* to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - i. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof or any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter.

6. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the *Policy* or any *Endorsement* thereto and save to the extent provided below, it is understood and agreed as follows:

- a) Save only to the extent provided in paragraph (c) below, this *Policy* does not insure loss or *Damage* caused by or consisting of *Electronic Data Loss*

Electronic Data Loss means loss (including but not limited to physical loss), *Damage*, destruction, distortion, erasure, corruption or alteration of *Electronic Data* from any cause whatsoever (including but not limited to *Computer Virus* and/or the physical loss of the hardware and/or data-storage media and/or data-processing media on which the *Electronic Data* is stored) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- b) However, in the event that an *Insured Peril* listed below results from *Electronic Data Loss*, this *Policy*, subject to all its terms, conditions and exclusions, will cover *Damage* occurring during the *Period of Insurance* to *Property Insured* by this *Policy* directly caused by such listed peril.

Listed Perils

Fire
Explosion

- c) In the event that *Electronic Data* storage medium insured by this *Policy* suffers *Damage* as a result of an *Insured Peril* specified in the *Schedule*, then the basis of valuation shall be the cost to repair, replace or restore such medium to the condition that existed immediately prior to the *Damage*, including the cost of reproducing any *Electronic Data* contained thereon, providing such medium is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed £50,000 any one *Occurrence*, incurred by *You* in recreating, gathering and assembling such *Electronic Data*. If the medium is not repaired, replaced or restored the basis of valuation shall be the cost of the blank medium. For the avoidance of doubt, the cover provided by this paragraph (c) does not insure any amount pertaining to the value of such

Electronic Data to *You* or any other party, or any Consequential Loss arising directly or indirectly from *Electronic Data* Loss, even if the *Electronic Data* cannot be recreated, gathered or assembled.

7. Terrorism Exclusion (Not applicable to Section 4 – Employers’ Liability)

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

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

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

If *We* allege that by reason of this Exclusion, any loss, *Damage*, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon *You*.

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

8. Asbestos Exclusion – (Applicable to Section 3 – Property Owners Liability only)

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

9. Northern Ireland Overriding Exclusion Applicable to Insurances relating to Property in Northern Ireland Other than Private Dwellings – (Not applicable to Section 7 – Employers’ Liability and Section 8 - Public and Products Liability)

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

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

Note - "Unlawful Association" means any organisation which is engaged in Terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973.

"Terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action, suit or other proceedings where *We* allege that by reason of the provisions of this Exclusion any loss, destruction or *Damage* is not covered by this *Policy* the burden of proving that such loss, destruction or *Damage* is covered shall be upon *You*.

This overriding Exclusion applies to this *Policy* and to any extensions thereof, whether such extensions be issued before or after this overriding Exclusion except only if an extension be issued hereafter which expressly cancels this overriding Exclusion.

10. Sonic Bangs

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

11. Sanctions Clause

We shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payments of such claim or provision of such benefit would expose *Us* or *Our* employees to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia, Bermuda, Singapore, Brazil or any other applicable jurisdiction.

12. Trade Exclusion

This *Policy* does not cover any loss, *Damage* or liability arising in connection with the *Insured's* trade, business or profession other than in his capacity as Landlord of the *Premises*.

13. Motor, Explosives, Livestock and Money Exclusion

This *Policy* does not cover any loss, *Damage* or liability in connection with motor vehicles and accessories in or upon the said vehicles, explosives, livestock, cash currency and/or banknotes, stamps, bonds, bills of exchange, promissory notes, securities for money, negotiable documents or other documents except as expressly mentioned as insured.

14. Consequential Loss Exclusion

This *Policy* does not cover any loss, *Damage* or liability by delay, loss of market, consequential loss of any and every description.

15. Disposed Premises Exclusion

This *Policy* does not cover any cost of remedying any defect or alleged defect in *Premises* disposed of by the *Insured*.

16. Known Loss Exclusion

Known Loss clause - This insurance does not cover any loss, *Damage* or liability arising from any known Event. Actual or alleged liability arising from any Event of which any Landlord or any manager or equivalent-level *Employee* of the *Insured* was aware prior to the *Period of Insurance*, irrespective of whether such person believed or expected such Event would involve this *Policy*.

17. Joint Venture Exclusion

Excluding Joint Venture partners' and joint venture losses arising from *Bodily Injury*, Personal Injury, *Property Damage*, Advertising Injury of the joint venture itself, whereof the *Insured* is a partner or of a joint venture partner of the insured only where such liabilities have been contracted out; But this Exclusion shall not apply if the insured is a party to any Joint Venture agreement where the *Insured* is responsible for 100% liability and this policy shall insure the *Insured's* liability arising out of their participating interest in said Agreement subject always to the liability of the *Underwriters* under this *Policy* being limited to the product of

- a) the percentage interest of the *Insured* as stated in the Agreement, and
- b) the total limit of liability insurance afforded to the *Insured* by this *Policy*

18. General Exclusions (Applicable to Section 1 – *Buildings* and Section 2 – *Rental Income* only)

The insurance by these Sections does not cover;

- A. *Damage* caused by or consisting of;
 - i) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, faulty or defective design or materials
 - ii) the bursting by steam pressure of a boiler economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the *Your* control other than any boiler or economiser on the *Premises* used for domestic purposes, such as a hot water and/or central heating/ventilation system.

- iii) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

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

B. *Damage* caused by or consisting of:

- i) faulty or defective workmanship, operational error or omission on *Your* part or an *Employee*

but this shall not exclude;

- a) such *Damage* not otherwise excluded which itself results from a *Defined Peril*
 - b) subsequent *Damage* which itself results from a cause not otherwise excluded
- ii) acts of fraud or dishonesty by the *Insured's Employees*

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

C. *Damage* caused by or consisting of:

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

But this will not exclude;

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

D. Infidelity or dishonesty of the *Insured* or any *Employee* or other persons to whom *Property Insured* may be entrusted, nor loss, destruction or *Damage* resulting from the *Insured* voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence or any unexplained loss or loss or shortage disclosed on taking inventory

E. *Damage* caused by or consisting of;

- a) Subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- b) normal settlement or bedding down of new structures

F. *Damage* caused by or consisting of or arising directly or indirectly from;

- a) Disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- b) in respect of Section 2 Rental Income:
 - i) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons
 - ii) other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a *Defined Peril* insofar as it is not otherwise excluded

- G. *Damage* to a *Building* or structure caused by its own collapse or cracking unless resulting from a *Defined Peril* in so far as it is not otherwise excluded
- H. *Damage* in respect of movable property in the open, fences and gates by theft, wind, rain, hail, sleet, snow, flood or dust
- I. *Damage* in respect of *Unoccupied Buildings* unless resulting from fire, lightning, aircraft or explosion
- J. *Damage* in respect of;
 - a) *Glass* (other than fixed *Glass*), china, earthenware, marble or other fragile or brittle objects
 - b) in respect of Section 1 *Buildings* - curiosities or works of art other than such *Damage* caused by a *Defined Peril* and not otherwise excluded
- K. Unless specifically mentioned as insured under Section 1 *Buildings*;
 - a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - b) land, roads, pavements, piers, jetties, bridges, culverts or excavations
- L. In respect of Section 1 *Buildings* - property which at the time of the happening of *Damage* is insured by or would but for the existence of this *Policy* be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
- M. In respect of Section 1 *Buildings* - any property more specifically insured by or on behalf of the *Insured*
- N. Any loss in excess of £10,000 for *Damage* by malicious person(s) where the person(s) who caused the *Damage* was lawfully allowed on the *Premises* at the time of the loss. *Underwriters'* maximum liability will be £10,000 any one loss in respect of *Damage* caused by malicious person(s) lawfully allowed on the *Premises* at the time of the loss.
- O. *Damage* caused as a result of or in consequence of any *Building* work(s) falling outside of and not categorized within the definition of *Renovation* unless specifically agreed otherwise by *Underwriters*
- P. *Damage* caused by or consisting of or arising directly or indirectly from the application of heat by means of electric, oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers unless specifically agreed in writing by *Underwriters*
- Q. Any Liability assumed by the *Insured* by a contract or agreement entered into by the *Insured* and which would not have attached in the absence of such agreement
- R. Loss of or *Damage* to property which is leased, let, rented, hired or lent to or which is the subject of a bailment to the *Insured*.
- S. Theft by persons legally on the *Premises*.

19. Mechanically-Propelled Vehicle Exclusion (Applicable to Section 3 – Property Owners Liability only)

The insurance by this Section does not cover *Bodily Injury*, loss or *Damage* caused by or in connection with or arising out of the ownership, possession or use by or on behalf of the *Insured* of any;

- a) Aircraft, hovercraft or watercraft
- b) mechanically-propelled vehicle or trailer attached thereto (other than motorised garden implements used to maintain the land belonging to the *Premises* described in the *Schedule*)

20. Computer Hardware and Systems Exclusion (Applicable to Section 3 – Property Owners Liability only)

The insurance by this Section does not indemnify the *Insured* for any sums for which the *Insured* is/or becomes liable to pay as a result of any claim(s) made against the *Insured* or for any associated defence costs or expenses of any kind from any liability arising directly or indirectly out of;

- a) loss of alteration of or *Damage* to or
- b) a reduction in the functionality availability or operation of

a computer system or programme, hardware, data information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment as a result of the *Insureds* e-activities.

For the purpose of this Exclusion, e-activities means any use of electronic networks including the internet and private networks, intranets, extranets, electronic mail, worldwide web and similar medium carried out by the *Insured* or by any person, persons, partnership, firm or company acting for the *Insured* or on the *Insureds* behalf.

21. Legionellosis Exclusion (Applicable to Section 3 – Property Owners Liability only)

The insurance by this Section does not cover any loss *Damage* claim cost expenses or other sum directly or indirectly arising out of or relating to Legionellosis, including but not limited to any action required to repair, replace, remove, cleanup, dispose of or relocate any property or party, or any other measure(s) taken to address medical or legal concerns.

22. Pathogenic Organisms Exclusion (Applicable to Section 3 – Property Owners Liability only)

The insurance by this Section does not indemnify the *Insured*:

- a) for *Bodily Injury* or *Damage* or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b) against any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from Pathogenic Organisms.

For the purposes of this Exclusion “Pathogenic Organisms” shall mean any bacteria yeasts mildew virus fungi mould or their spores mycotoxins or other metabolic products.

23. Other General Exclusions (Applicable to Section 3 – Property Owners Liability only)

The insurance by this Section does not cover:

- A. *Damage* to *Property Insured* arising from work carried out by the *Insured*;
- B. *Damage* to property held in trust except for:
 - i. Personal effects
 - ii. Buildings temporarily occupied by the *Insured*
 - iii. *Premises* hired, leased, rented or lent to the *Insured* under agreement which would not apply in the absence of such agreement
- C. Any loss, *Damage* or liability for *Bodily Injury* or loss of or *Damage* to property arising from goods or products manufactured, sold, supplied, altered, distributed, constructed, repaired, serviced, treated, or installed or let on hire by *You*;
- D. Any liability for liquidated *Damages*, fines or penalties which apply solely due to a contract;
- E. Professional Indemnity;
- F. Product Recall or Guarantee;
- G. Fines or punitive *Damages* awarded by a Court of Law;
- H. Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.

24. Silica Exclusion (Applicable to Section 3 – Property Owners Liability only)

It is hereby understood and agreed that this *Policy* does not apply to actual or alleged Liability arising out of Silica, Silica fibre(s) or Silica Dust or any product(s) containing Silica, Silica fibre(s) or Silica Dust.

“Silica” means:

- i) The substance commonly known as Silica; and
- ii) Any substance or product which has the same or substantially similar chemical formulation, structure or function as Silica, by whatever name manufactured, formulated, structured, sold or distributed.

“Silica Dust” means:

- i) Dust comprising of Silica only; and
- ii) Dust comprising of Silica mixed with other dust of fibre(s) including, but not limited to, asbestos fibres.

It is hereby understood that to the extent any coverage may otherwise be provided under this Insurance or any other of its *Endorsements*, the provisions of this Exclusion will supersede.

25. Lead Exclusion (Applicable to Section 3 – Property Owners Liability only)

It is hereby understood and agreed that this Insurance does not apply to actual or alleged Liability arising out of: *Bodily Injury*, *Property Damage*, or Advertising Liability arising out of the manufacture, distribution, sale, installation, removal, utilization, ingestion or inhalation of, or exposure to or existence of, as the case may be, lead in any form or products containing lead.

26. Operational Risk Exclusion (Applicable to Section 3 – Property Owners Liability and Section 4 – Employers’ Liability only)

It is hereby understood and agreed that this Insurance does not indemnify the *Insured* against legal liability arising from or in connection with any trade or operation thereof carried on by any tenant of the *Premises*.

27. Underground Services Exclusion (Applicable to Section 3 – Property Owners Liability only)

It is hereby noted and agreed that this *Policy* shall not indemnify *You* for any loss, including consequential loss, damage, claim, including costs and expenses, for any property damage to underground property and services unless, prior to the commencement of work, *You* have inquired with the relevant authorities or owners of such underground property and services and recorded in writing their locations.

28. Rip & Tear Exclusion (Applicable to Section 3 – Property Owners Liability only)

We will not cover claims for:

1. the costs of digging out, breaking out, removing or replacing of any cement or concrete *Product*.
2. the rebuilding costs, including any loss or expense consequent upon rebuilding, arising out of the failure (or alleged failure) to work properly, or unsuitability (or alleged unsuitability) for its intended function, of any cement or concrete *Product* whether or not such claim arises under a guarantee or warranty.

In all other respects the terms, conditions, exceptions, and limits of liability of the *Policy* apply.

CLAIMS PROCEDURE

1. *Your Obligations*

It is a **condition precedent** to *Our* liability under this *Policy* that;

- a) Upon learning of any circumstances likely to give rise to a claim or on receiving verbal or written notice of any claim *You* must:
 - i) tell *Us* through *Your Agent* as soon as reasonably possible, and in any case within 7 (seven) days, and give *Us* all the assistance *We* may reasonably require
 - ii) as soon as reasonably possible, and in any case within 7 (seven) days, tell the Police if the *Damage* is due to any actual or suspected criminal act
- b) *You* send to *Us* through *Your Agent*, as soon as reasonably possible, or in any case within 7 (seven) days, any intimation of a claim from a third party, writ, summons or other legal proceedings issued against *You*
- c) *You* supply at *Your* own expense, full details of the claim in writing within the following periods:
 - i) 7 (seven) days for *Damage* by riot, civil, labour, theft or political disturbances or vandals or malicious people.
 - ii) 30 (thirty) days after the expiry of the *Indemnity Period* under Section 2 Rental Income
 - iii) 30 (thirty) days after any other *Damage*, interruption or *Bodily Injury*.
- d) *You* provide all help and assistance and co-operation required by *Us* in connection with any claim to include supplying, as soon as reasonably possible, any supporting evidence and information that *We* require
- e) *You* do nothing that would prejudice the exercise of *Our* rights set out in 2. below
- f) *You* take action at *Your* own expense following circumstances likely to give rise to a claim to minimise
 - i) the *Damage*;
 - ii) to prevent further *Bodily Injury* or *Damage*; and/or
 - iii) to avoid interruption with the *Business*.
- g) *You* must not admit, deny, negotiate or settle any claim without *Our* written consent.

2. *Our Rights*

- a) *We* have the right to take over the defence or settlement of a claim against *You* by another person.
- b) *We* have the right to the salvage of any *Property Insured*
- c) *We* and *Our* appointed representatives have the right to enter the *Building* where the *Damage* has happened in order to investigate the claim, and to take and keep any of the *Property Insured* which has caused or suffered *Damage*, and to deal with salvage in a reasonable manner.

3. Fraud

If any claim made under this *Policy* by *You* or anyone acting on *Your* behalf is fraudulent or intentionally exaggerated in any way, or if any false declaration or statement shall be made, or any fraudulent device used, in support thereof:-

- a) *We* shall have no obligation to indemnify in respect of that claim;
- b) *We* will treat the *Policy* as having been terminated with effect from the time the fraudulent act is committed;
- c) *We* shall have no obligation to indemnify *You* in respect of any claim made under this *Policy* arising out of an event occurring after the fraudulent act;
- d) *We* shall have the right to recover any monies paid to *You* under this *Policy* during in respect of:
 - i) the fraudulent claim; and
 - ii) any claims arising out events occurring after the date of the fraudulent act, whether genuine or otherwise.

GENERAL CONDITIONS & CONDITIONS PRECEDENT

The following conditions and conditions precedent are applicable to all Sections of this *Policy* unless it is stated otherwise on the *Schedule*:

Please note that if *You* are in breach of any condition precedent at the time of a loss, *We* will have no obligation to indemnify *You* in relation to any claim for that loss. However if a condition precedent is intended to reduce the risk of loss of a particular kind, at a particular location or at a particular time, *We* will not rely on the breach of that condition precedent to exclude, limit or discharge *Our* liability if the breach could not have increased the risk of the loss of the type which actually occurred in the circumstances in which it occurred.

Cancellation – Not applicable to Section 4 – Employers’ Liability

This *Policy* may be cancelled at any time at *Your* request in writing to *Your Agent* who effected the *Policy*, and the premium hereon shall be adjusted on the basis of the *Underwriters* receiving or retaining a minimum of 33.33% of the annual premium in respect of Sections 1 – Buildings and Section 2 – Rental Income, and 100% of the annual premium in respect of Section 3 – Property Owners Liability and Section 4 - Employers’ Liability, but where the *Premises* are *Unoccupied* at inception of the *Policy*, the amount retained by *Underwriters* in respect of Sections 1 – Buildings and Section 2 – Rental Income is amended as follows:

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

Provided that;

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

The cost(s) of any survey fees incurred by *Underwriters* will be deducted from any return premium due. Notwithstanding anything contained within the Survey Clause, this *Policy* may also be cancelled by or on behalf of the *Underwriters* by 14 days’ notice given in writing to *You* through *Your Agent*, and the premium hereon shall be adjusted on the basis of the *Underwriters* receiving or retaining pro rata premium. Notice shall be deemed to be duly received in the course of the post if sent by pre paid letter-post properly addressed.

Change in the Nature of the Risk and New Activities and Processes Condition Precedent

It is a **condition precedent** to *Our* liability that notice is given to *Us* prior to or as soon as reasonably possible, and in any case within 7 (seven) days, of the following:-

- a) any change in the nature of the risk that takes place after the start of this insurance which changes the nature of the risk underwritten by *Us*, provided that *You* either knew about the change or would have known about it had *You* had in place, and adhered to, an adequate system to inspect the *Premises* regularly during the *Period of Insurance*.
- b) any new activities or processes undertaken by *You*, or by *Your* tenant, or any changes in tenancy or occupation, at the *Premises* which changes the nature of the risk of a *Defined Peril* operating and which were not disclosed prior to the start of this insurance or the most recent renewal, whether or not giving rise to a change in the nature of the risk within the meaning of (i) above.

Following such notification, *We* shall have the right to impose any terms or conditions that *We* see fit as a condition of remaining on cover. This shall not prejudice *Our* right, in the alternative, to give notice of cancellation under “Cancellation” terms of the General Conditions.

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 and any amending and/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.

Contribution/Multiple Insurance (Applicable to Section 1 – Buildings and Section 2 – Rental Income only)

If, at the time of a claim under this *Policy*, there is any other valid and collectible *Policy* of insurance in place which covers the same risk or any part thereof, or would do but for the existence of a clause in any other *Policy* which purports to exclude or reduce the indemnity provided by reference to the existence of another insurance, this *Policy* shall operate as an Excess of Loss *Policy* and so shall not respond until all cover available under the other *Policy* has been exhausted.

Electrical Certificates Condition Precedent

It is a **condition precedent** to *Our* liability that the electrical installation (“the installation”) be inspected and tested at least once in every 5 (five) years by a contractor approved by either:-

a) The National Inspection Council for Electrical Installation Contracting (NICEIC)

or

b) Electrical Contractors Association (ECA)

or

c) SELECT (in respect of Scotland only)

or

d) Register of Electrical Contractors of Ireland (RECI) or any other accredited organisation approved for such inspections by the Electro-Technical Council of Ireland (ETCI) (in respect of Republic of Ireland only)

If the inspection and testing reveals any departures, defects or faults with the installation, it is a **condition precedent** to *Our* liability that these are notified to *Us* as soon as reasonably possible, and in any case within 7 (seven) days, and are remedied within such time as *We* specify.

If at the time of inception the electrical installation has not been tested within the previous 5 (five) years it is a **condition precedent** to *Our* liability that the whole installation must be tested by one of the bodies mentioned at (a) to (d) above and any departures, defects or faults remedied within 60 (sixty) days of inception. Thereafter, it is a **condition precedent** to *Our* liability that the installation shall be inspected and tested at least every 5 (five) years as required above.

Fire Appliances Condition Precedent

It is a **condition precedent** to *Our* liability under this *Policy* that *You* will maintain all fire extinguishing appliances contained in the *Premises* in full working order during the *Period of Insurance*, and notify the *Underwriters* as soon as reasonably possible, and in any case within 7 (seven) days, of any disconnection or failure of the automatic fire alarm installation, which is likely to leave any area without protection for 12 hours or more.

Nevertheless this Insurance shall not be invalidated by any defect in any of the appliances due to circumstances unknown or beyond the control of the Insured.

Full Repairing Lease Condition Precedent

It is a **condition precedent** to *Our* liability under this *Policy* that all properties that are owned by *You* and leased to tenants are subject to agreements (on a full repairing lease basis) that require the tenant to maintain and repair the *Property Insured*.

Heat and Hot Works Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) any work involving the application of heat is only carried out by a suitably experienced contractor;
- b) the contractor carrying out the work has public liability insurance in force at least to the same level as the *Sums Insured* on the *Schedule* to this *Policy* and that *You* confirm the same through sight of their certificate of insurance;
- c) *You* do not waive any subrogation rights against the contractor at any time;
- d) *You* implement a documented system of Hot Works Permits whilst contractors are engaged in work involving the use of heat equipment on the *Premises*, which include, as a minimum, the following requirements:-
 - i. the area in which the work is to be carried out must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
 - ii. if work is to be carried out overhead, the area beneath that work must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;

- iii. any combustible materials within 6 (six) metres of the area of the proposed work which cannot be moved are to be fully covered and protected by fire-proof blankets and/or screens;
 - iv. the ground or floor or other horizontal surface (including any gutters) directly beneath the area of the proposed work is to be liberally covered with sand to a distance not less than 50 (fifty) centimetres all around the area of the proposed work;
 - v. a suitable number of fire extinguishers with a total capacity of not less than 20 (twenty) litres must be kept available for immediate use and located no more than 2 (two) metres from the area of work;
 - vi. a dedicated able bodied adult, with no other responsibilities, must be in attendance to keep a constant fire watch and to damp down the area of the proposed works whilst the Hot Work is being carried out and for at least 30 (thirty) minutes following any interruption to and/or cessation of the Hot Work;
 - vii. blow lamps and blow torches shall be lit for as short a time as possible before use and extinguished immediately after use;
 - viii. lighted blow lamps and torches must not be left unattended;
 - ix. any work involving the application of heat will cease at least 60 (sixty) minutes before the *Premises* close for *Business* for the day.
 - x. a thorough examination of the area in which the work was carried out, including an examination of the other side of any roof or partition to the side on which the Hot Works were being carried out, shall be made 30 (thirty) minutes and 60 (sixty) minutes after Hot Works have ceased or been interrupted for 30 (thirty) minutes or more, and immediately prior to the *Premises* closing for *Business* on any day during which Hot Works have been carried out.
- e) *You* obtain written confirmation from the contractor prior to the start of work that the precautions stated on *Your* Hot Work Permit will be adhered to.

Insurable Interest

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

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 a 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*.

Jurisdiction and Law

Unless otherwise agreed by *Us* and *You*, this *Policy* shall be subject to and construed solely in accordance with the law of England and Wales.

You and *We* agree that all disputes arising out of or in connection with this *Policy*, including but not limited to any disputes relating to the formation, validity and interpretation and/or application of the terms, conditions, limits, and exclusions of this *Policy*, shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

Maintenance and Safety Requirements Condition Precedent

It is a **condition precedent** to *Our* liability that:

- (a) At the time of *Damage* the *Insured* must hold a satisfactory Gas Safety Record for the whole of the *Premises* which has been issued by a Gas Safe registered engineer and which is free from any defect and is less than 1 (one) year old

- (b) If furnished, all upholstered furniture must meet the Fire and Furniture Regulations Act. Any furniture added to the property after 1 March 1993 must keep to the relevant fire resistance requirements
- (c) *You* must give *Your* tenants all relevant instruction manuals

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

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

Minimum Security Requirements (A) Condition Precedent

- a) It is a **condition precedent** to *Our* liability under this *Policy* that all protections provided for the safety of the *Premises* shall be maintained in good order and shall not be withdrawn altered or varied without the prior consent of the *Underwriters* and shall be in full and effective operation when the *Premises* are closed for *Business* or left unattended, and at all other appropriate times
- b) It is a **condition precedent** to *Our* liability under this *Policy* that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or in accordance with the manufacturer's recommendations
- c) It is a **condition precedent** to *Our* liability under this *Policy* that;
 - i) external glass doors in aluminium or UPVC frames are fitted with a swingbolt mortice lock
 - ii) all other external doors are fitted with a five lever mortice deadlock conforming to BS3621 or locking bars secured by five lever close shackle padlocks
 - iii) outward external doors are also fitted with hinge bolts and the first closing leaf of any double doors also fitted with internal flush or mortice rack bolts top and bottom
 - iv) key operated window locks are fitted to all windows and skylights which are accessible from the ground, adjoining roofs, porches, fire escapes or downpipes
- d) In the event of the *Insured* receiving any notification;
 - i) that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
 - iii) that any alarm system cannot be returned to or maintained in full working order
 then with immediate effect:
 - 1) it shall be a **condition precedent** to *Our* liability under this *Policy* that the *Insured* shall notify *Us* as soon as reasonably possible, and in any case within 7 (seven) days, at which time *Underwriters* shall reserve the right to vary terms or cancel cover provided under this *Policy*
 - 2) the *Insured* shall be responsible for the first 20% of any loss destruction or *Damage* by theft or attempted theft subject to a minimum contribution of £2,500
 - 3) it shall be a **condition precedent** to *Our* liability under this *Policy* that the *Insured* shall comply with any requirements that *We* impose in response to such notice.

Non Invalidation Clause

The Insurance under this *Policy* shall not be invalidated by any alteration in the use of the *Premises* whereby the risk of *Damage* is increased unknown to or beyond the control of the *Insured* provided that, as soon as reasonably possible, and in any case within 7 (seven) days, the *Insured* becomes aware thereof they shall give notice to *Underwriters* and pay an additional premium if required.

Other insurances and Average

- a) Applicable to Section 1 – *Buildings*;
 - i) if at the time of any *Damage* there is any other insurance effected by or on behalf of the *Insured* covering any of the property *Damaged* the liability of the *Underwriters* hereunder shall be limited to its rateable proportion of such *Damage*

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

Pipe and Tank Lagging Condition Precedent

It is a **condition precedent** to *Our* liability that:

- a. there is, within the *Premises*, a heating system that is maintained in full and effective operation and is linked to a thermostat which automatically activates the heating system when the temperature falls below 6°C (six degrees Celsius).
- b. all water tanks, apparatus or pipes within the *Premises* are fully lagged.

Portable Heaters Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) there will be no use or storage on the *Premises* of paraffin or portable electric or gas heaters or containers or cylinders unless specifically agreed by *Us* prior to such use or storage.
- b) there will be no portable LPG (Liquid Petroleum Gas) heating on the *Premises* unless specifically agreed by *Us* prior to such use or storage

Reasonable Precautions Condition Precedent

It is a **condition precedent** to *Our* liability that *You* shall take all reasonable precautions:-

- a) for the safety of and to avoid, prevent or minimise any *Damage* to the *Property* Insured;
- b) to avoid, prevent or minimise any *Bodily Injury* to others or *Damage* to their *Property*;
- c) to prevent the sale of or supply of *Products* which are defective in any way;
- d) in the selection and supervision of *Employees* and in the employment of competent staff;
- e) in the event of discovery of any defect or *Damage*, that *You* shall forthwith cause such defect or *Damage* to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require;
- f) comply with all statutory requirements, bye-laws and any other obligations and regulations imposed by any Authority;

which might give rise to a claim under this *Policy*.

Reinstatement

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

Residential Tenants Condition Precedent

It is a **condition precedent** to *Our* liability that any residential portion(s) of the *Premises* are not let or used by:

- a) local authorities or the department of social security,
 - b) asylum seekers,
- unless specifically noted and agreed by *Underwriters*.

Roads, Pavements and Car Parks Condition Precedent

It is a **condition precedent** to *Our* liability that all roads, pavements and car parks are fully made up and free from potholes and any other defects.

Several Liability Notice

If there is more than one insurer shown on the *Schedule Our* obligations hereunder are several and not joint and are limited solely to the extent of *Our* individual subscription. *We* are not responsible for the subscription of any co-subscribing Underwriter(s) who for any reason does not satisfy all or part of their obligation.

Sprinkler Maintenance Condition Precedent

It is a **condition precedent** to *Our* liability that any automatic sprinkler system at the *Premises* is:-

- a) in full and effective operation unless otherwise agreed by *Us*;
- b) maintained in good and efficient working order under a contract of maintenance by a suitably qualified engineer or contractor pursuant to which and half yearly inspections are carried out and any defects, faults or shortcomings revealed by such tests are rectified as soon as reasonably possible, and in any case within 7 (seven) days, unless otherwise agreed by *Us* and a record of such tests will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time;

throughout the currency of this *Policy*.

Subrogation

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

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

Subrogation Apportionment

In the event that, following a claim under the *Policy*, *We* take a decision to try to recover *Our* loss by means of subrogation proceedings, and an amount is properly included in the claim in respect of *Your* uninsured losses, then any recovery made from a defendant will be shared between *You* and *Us* as follows:-

- (a) Any legal costs and disbursements recovered from the defendant shall be added to the recovery for the purposes of the calculation in (b) and no apportionment of the recovery will take place until any dispute on costs has been resolved;
- (b) The total amount of *Our* legal costs and disbursements in pursuing the subrogation proceedings will be deducted from the total amount produced by (a) and will be refunded to *Us*;
- (c) The net amount remaining after the deduction in (b) will be divided between *You* and *Us* in the same proportion which *Your* uninsured losses bore to the total of the properly recoverable insured losses included within the claim.

Survey Requirements – Your Continuing Obligations

It is a **condition precedent** to *Our* liability that *You* shall implement and continue to implement during the whole currency of the *Policy*, and following any renewal, the survey requirement(s) as agreed by *Underwriters*.

Unoccupancy Conditions Precedent

- a) It is a **condition precedent** to *Our* liability that prior notice shall be given to *Us* by *You* when any permanent structure at the *Premises* or self-contained part thereof becomes *Unoccupied*, or upon *Your* discovery within 7 (seven) days. Following receipt of such notice, *We* shall have the right to cancel the *Policy* in accordance with the terms of this *Policy*. Should *We* agree to continue to provide cover the **condition precedent** as set out in

Unoccupancy **Conditions Precedent** paragraph b) shall apply. *We* shall have the right to impose any further **conditions precedent**, terms, exclusions or limits that *We* see fit as a condition of remaining on cover and/or charge an additional *Premium*.

- b) Should *We* continue to provide cover under this *Policy* coverage will automatically be limited to the perils Fire, Lightning, Explosion and Aircraft unless otherwise agreed by *Us* for any permanent structures at the *Premises* that are *Unoccupied* following *Your* notification in accordance with Unoccupancy **Conditions Precedent** paragraph a) *Defined Perils* are hereby restricted to Fire, Lightning, Explosion and Aircraft only.
- c) In circumstances where any permanent structure at the *Premises* or self-contained part thereof is or becomes *Unoccupied* it is a **condition precedent** to *Our* liability that:-
- i) all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes);
 - ii) all water tanks, apparatus, pipes and heating systems/radiators (other than those connected to an automatic sprinkler system) must be drained down;
 - iii) steps are taken to ensure that any permanent structure at the *Premises* are made secure against entry by intruders including, as a minimum:-
 - 1) securely locking and fastening all doors and windows;
 - 2) sealing any letter boxes;
 - 3) setting all security and alarm protections in full operation and ensuring that the protections are in proper working order;
 - 4) boarding over all ground floor and any accessible windows;
 - iv) all combustible contents, trade refuse and waste materials will be removed from the interior of any permanent structure at the *Premises* and no accumulation of refuse and waste will be allowed in the adjoining yards or spaces for which *You* are responsible;
 - v) tanks containing fuel or other flammable liquids must be drained and purged within 7 (seven) days of the permanent structure at the *Premises* becoming *Unoccupied*;
 - vi) the *Premises* must be inspected at least once every 7 (seven) days by *You* or *Your* nominee in order to inspect the permanent structures both internally and externally and to carry out any work necessary to maintain the above security arrangements and that a record of such inspections will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time and any evidence of forced or attempted forced entry or malicious *Damage* be reported to *Us* within 7 (seven) days of discovery;
 - vii) *You* will give *Us* prior notice before commencing any *Renovation* of the permanent structures and *Renovations* will not be commenced without *Our* prior agreement in writing;
 - viii) *You* will implement any additional protections *We* may require within the timescale specified;
- d) Where a self-contained part of any permanent structure at the *Premises* is *Unoccupied*, the requirements set out at (c) above apply in full, as **conditions precedent**, to the *Unoccupied* part. If this is not feasible, it is a **condition precedent** of continuation of cover that *You* contact *Us* as soon as reasonably possibly, and in any case within 7 (seven) days, and comply with any alternative requirements that *We* may impose.
- e) In the event that *Your* application for planning permission/consent is refused or withdrawn by the Local Planning Authority, notwithstanding anything contained within the Cancellation condition, all coverage under this *Policy* shall be terminated with immediate effect and *You* shall be entitled to pro rata return of *Premium* for the unexpired *Period of Insurance*, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*. Alternatively, if *Premium* has not yet been settled, a pro-rata *Premium* will be charged, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*.

Winding-up/bankruptcy

This *Policy* shall cease with immediate effect if:

- a) the *Business* be wound up or carried on by a liquidator, receiver, creditor appointed body, administrator, put into receivership or discontinued
- b) *Your* interest ceases otherwise than by death or operation of law

Unless its continuance be agreed by *Us* and the amendment endorsed hereon.

POLICY ENDORSEMENTS

(Applicable only if specified in the *Schedule*)

Please note that if *You* are in breach of any condition precedent at the time of a loss, *We* will have no obligation to indemnify *You* in relation to any claim for that loss. However if a condition precedent is intended to reduce the risk of loss of a particular kind, at a particular location or at a particular time, *We* will not rely on the breach of that condition precedent to exclude, limit or discharge *Our* liability if the breach could not have increased the risk of the loss of the type which actually occurred in the circumstances in which it occurred.

CP1 - Accidental Damage Extension

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

This Extension does not cover;

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

CP2 - Burning of Waste in the Open Condition Precedent

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

CP3 - Composite Panel Condition Precedent

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

- 1) suitable fire extinguisher appliances are supplied in all cooking areas
- 2) ducting, conduit wiring and hot flues are adequately protected within fire resistant sleeves where passing through composite panels
- 3) at least weekly inspections are undertaken by the *Insured* to check for *Damage* to composite panels or panel joints. Any defects found to be rectified without delay or replaced by a panel with a non-combustible core within 7 (seven) days

- 4) no repairs will made to composite panels that involve welding, grinding, cutting or other obvious ignition sources
- 5) all heat sources are kept at least 2 (two) metres from any composite paneling or such paneling to be of a non-combustible core
- 6) no external storage of combustible stock, packaging, pallets, waste or waste skips or bins within 10 (ten) metres of the *Buildings*
- 7) any work involving the application of heat will only be carried out by a qualified Contractor and the *Insured* is to ensure that the Contractor carrying out the work has Public Liability Insurance in force at least to the same level as the *Sums Insured* shown on the *Schedule* to this *Policy* and that *You* confirm the same through sight of their certificate of insurance. Subrogation rights against such Contractor shall not be waived by the *Insured*. The following conditions precedent to liability apply:
 - i) the area in which work is to be carried out shall be adequately cleared and combustible materials shall be removed to a distance not less than 6 (six) metres from the area of proposed work
 - ii) if work is to be carried out overhead then the area beneath shall be similarly cleared and all combustible materials removed
 - iii) suitable fire extinguisher with a capacity of not less than 9 (nine) litres shall be kept available for immediate use
 - iv) blow lamps and blow torches shall be lit in as short a time as possible before use and extinguished immediately after use
 - v) lighted blow lamps and torches shall not be left unattended
 - vi) half an hour after each period of work a thorough examination shall be made of and in the area in which works have been undertaken
 - vii) if work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets drapes or screens.

CP4 - Daily Waste Condition Precedent

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

CP5 – External Smoking Condition Precedent

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

CP6 - First Loss Average Clause

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

CP7 - Flat Roofs Condition Precedent

It is a **condition precedent** to *Our* liability in respect of *Damage* by Storm that any flat roof portion of the *Premises* shall have been inspected at least once every 2 (two) years by a qualified builder or property surveyor and any defects brought to light by that inspection shall have been repaired immediately.

If at the time of inception the flat roof portion of the *Premises* has not been inspected within the previous 2 (two) years by a qualified builder or property surveyor, it is a **condition precedent** to *Our* liability in respect of *Damage* by Storm that the flat roof portion of the *Premises* is inspected within 60 (sixty) days of inception.

A record of all inspections shall be made and retained by the *You*. *We* reserve the right to inspect records by giving *You* reasonable notice.

CP8 - Frying and Cooking Equipment Condition Precedent

It is a **condition precedent** to *Our* liability that;

- a) all frying and other cooking ranges, equipment, flues and exhaust ducting is kept securely fixed and free from contact with combustible materials
- b) all extraction hoods, canopies, filters and grease traps are cleaned at least every 2 (two) weeks
- c) all extraction ducts are cleaned monthly and maintained and checked at least once every 6 (six) months by a specialist contractor
- d) the record of such cleaning and servicing of the extraction ducts is kept elsewhere other than at the *Premises* and will be made available for inspection at any time
- e) frying equipment will be installed used and maintained in accordance with the manufacturer's instructions
- f) multipurpose fire extinguishers and at least 1 (one) fire retardant blanket which conforms to the relevant British Standard suitable for extinguishing oil and fat fires is kept in close proximity to the working area of the range and maintained ready for use
- g) frying ranges are not left unattended whilst in use
- h) all naked flames (other than pilot lights) and all electrical elements are turned off at the close of the working day.
- i) a flame failure device is fitted if the range is gas or oil fired
- j) a thermostat is fitted which prevents the temperature of the fat or oil exceeding 205°C (two hundred and five degrees Celsius) or the manufacturer's recommended temperature if that is less
- k) the frying range must hold the minimum level of oil, as per the manufacturer's guidelines, to ensure the operation of the thermostatic cut-out device
- l) extraction of heat, fumes and/or combustible products be via an internal duct, or an overhead canopy and duct system, vented direct to the open
- m) all ducts be constructed of and supported by galvanised or stainless steel

CP9 – Gutter Condition Precedent

It is a **condition precedent** to *Our* liability that all gutters be inspected and cleared every 6 (six) months by a qualified contractor and a written record and details of any works carried out shall be provided by the contractor and retained by *You*.

CP10 - Metal Workers Waste Condition Precedent

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

CP11 - Minimum Security Requirements (B) Condition Precedent

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

- 1) the Minimum Security Requirements (A) Condition Precedent as stated in the General Conditions are complied with
- 2) an intruder alarm is installed and put into full and effective operation at night and whenever the *Premises* are closed for *Business* or left unattended. *Underwriters* will not regard the intruder alarm as effective if the specification or system record provides for a telephone line, direct line or central monitoring station warning

system and the *Insured* have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn

- 3) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Security Inspectorate (NSI), or the Security System and Alarm Inspections Board (SSAIB) or approved by *Underwriters*
- 4) all keys of the intruder alarm are removed from the *Premises* at night and whenever they are closed for *Business* or left unattended. Where the *Insured* or an *Employee* occupies part of the *Premises* for residential purposes, the keys must be removed from the *Business* part of the *Premises*.

CP12 - Minimum Security Requirements (C) Condition Precedent

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

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

CP13 - Obsolete Building Clause

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

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

CP14 - Paint Spraying Condition Precedent

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

It is also a **condition precedent** to *Our* liability that;

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

CP15 - Planning Permission Condition Precedent

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

CP16 - Hostels Condition Precedent

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

- 1) no cooking is carried out in rooms other than those specifically designated as kitchens

- 2) there is 24 (twenty four) hour occupancy of the *Premises* by the *Insured* or his *Employees*
- 3) all rooms are cleaned and/or inspected at least once a week

CP17 - Storage of Combustible Materials in the Open Condition Precedent

It is a **condition precedent** to *Our* liability that no combustible materials are externally stored within 10 (ten) metres of the *Buildings* outside *Business* hours.

CP18 - Subsidence Ground Heave and Landslip Extension

Notwithstanding Exclusion 18.E., the insurance by Sections 1 and 2 extends to cover *Damage* caused by Subsidence or Ground Heave of any part of the site on which the property stands or Landslip excluding;

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

Special Conditions

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

- a) The *Insured* shall notify the *Underwriters* as soon as reasonably possible, and in any case within 7 (seven) days, they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site
- b) The *Underwriters* shall then have the right to vary the terms or cancel this cover.

CP19 - Survey Condition

Cover hereon is strictly subject to receipt by *Underwriters* of a satisfactory survey carried out by an authorised surveyor within 60 (sixty) days of the inception date of this insurance. Cover ceases immediately after 60 (sixty) days if survey not carried out or extension agreed by the *Underwriters* and advised to the *Insured*. The premium will be adjusted on a pro rata basis.

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

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

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

CP20 - Thatched Roof Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) The *Premises* does not contain any open fires or log burning stoves;
- b) There must be a gap of not less than half a metre between the thatch and electric lamps;
- c) External outlet grilles from kitchen ducting must be at least one and a half metres from the thatch;
- d) All electric cables in the roof must be in metal conduit;
- e) Fires are not lit within 100 (one hundred) metres of the thatched *Property* including the burning of old thatch.

CP21 - Unoccupancy Conditions Precedent Wider Perils

The Unoccupancy **Conditions Precedent** contained within the General Conditions are deleted and replaced by the following:-

- a) It is a **condition precedent** to *Our* liability that prior notice shall be given to *Us* by *You* when any permanent structure at the *Premises* or self-contained part thereof becomes *Unoccupied*, or upon *Your* discovery within 7 (seven) days. Following receipt of such notice, *We* shall have the right to cancel the *Policy* in accordance with the terms of this *Policy*. Should *We* agree to continue to provide cover the **condition precedent** as set out in Unoccupancy **Conditions Precedent** paragraph b) shall apply. *We* shall have the right to impose any further **condition precedent**, terms, exclusions or limits that *We* see fit as a condition of remaining on cover and/or charge an additional *Premium*.
- b) Should *We* continue to provide cover under this *Policy* coverage will automatically be limited to the perils fire, lightning, explosion, aircraft or other aerial devices or articles dropped there from, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, earthquake, storm, flood or impact by any road vehicle or animal, falling trees, branches and falling aerials, unless otherwise agreed by *Us* for any permanent structures at the *Premises* that are *Unoccupied* following *Your* notification in accordance with Unoccupancy **Conditions Precedent** paragraph a)
Defined Perils are hereby restricted to fire, lightning, explosion, aircraft or other aerial devices or articles dropped there from, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, earthquake, storm, flood or impact by any road vehicle or animal, falling trees, branches and falling aerials.
- c) In circumstances where any permanent structure at the *Premises* or self-contained part thereof is or becomes *Unoccupied* it is a **condition precedent** to *Our* liability that:-
 - i) all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes);
 - ii) all water tanks, apparatus, pipes and heating systems/radiators (other than those connected to an automatic sprinkler system) must be drained down;
 - iii) steps are taken to ensure that any permanent structure at the *Premises* are made secure against entry by intruders including, as a minimum:-
 - 1) securely locking and fastening all doors and windows;
 - 2) sealing any letter boxes;
 - 3) setting all security and alarm protections in full operation and ensuring that the protections are in proper working order;
 - 4) boarding over all ground floor and any accessible windows;
 - iv) all combustible contents, trade refuse and waste materials will be removed from the interior of any permanent structure at the *Premises* and no accumulation of combustible contents, trade refuse and waste materials will be allowed in the adjoining yards or spaces for which *You* are responsible;
 - v) tanks containing fuel or other flammable liquids must be drained and purged within 7 (seven) days of the permanent structure at the *Premises* becoming *Unoccupied*;
 - vi) the *Premises* must be inspected at least once every 7 (seven) days by *You* or *Your* nominee in order to inspect the permanent structures both internally and externally and to carry out any work necessary to maintain the above security arrangements and that a record of such inspections will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time and any evidence of forced or attempted forced entry or malicious *Damage* be reported to *Us* within 7 (seven) days of discovery;
 - vii) *You* will give *Us* prior notice before commencing any *Renovation* of the permanent structures and *Renovations* will not be commenced without *Our* prior agreement in writing;
 - viii) *You* will implement any additional protections *We* may require within the timescale specified;

- d) Where a self-contained part of any permanent structure at the *Premises* is *Unoccupied*, the requirements set out at (c) above apply in full, as **conditions precedent**, to the *Unoccupied* part. If this is not feasible, it is a **condition precedent** of continuation of cover that *You* contact *Us* as soon as reasonably possible, and in any case within 7 (seven) days, and comply with any alternative requirements that *We* may impose.
- e) In the event that *Your* application for planning permission/consent is refused or withdrawn by the Local Planning Authority, notwithstanding anything contained within the Cancellation condition, all coverage under this *Policy* shall be terminated with immediate effect and *You* shall be entitled to pro rata return of *Premium* for the unexpired *Period of Insurance*, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*. Alternatively, if *Premium* has not yet been settled, a pro-rata *Premium* will be charged, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*.

For the purpose of c) iv) above only, the *Contents* Definition means “Furniture, furnishings and domestic appliances all belonging to the *Insured* or for which the *Insured* is responsible whilst contained in the *Buildings* insured by this Section”.

CP22 - Weekly Waste Condition Precedent

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

CP23 - Amended Unoccupancy Conditions Precedent – Electricity

It is hereby noted and agreed that notwithstanding anything contained within part c) i) of the Unoccupancy **Conditions Precedent** or CP21 – Unoccupancy **Conditions Precedent** Wider Perils the electricity mains supply is to remain connected.

CP24 - Amended Unoccupancy Conditions Precedent – Gas

It is hereby noted and agreed that notwithstanding anything contained within part c) i) of the Unoccupancy **Conditions Precedent** or CP21 – Unoccupancy **Conditions Precedent** Wider Perils the gas supply is to remain connected.

CP25 - Amended Unoccupancy Conditions Precedent – Water

It is hereby noted and agreed that notwithstanding anything contained within part c) i) of the Unoccupancy **Conditions Precedent** or CP21 – Unoccupancy **Conditions Precedent** Wider Perils the water supply is to remain connected.

CP26 - Amended Unoccupancy Conditions Precedent – Electricity, Gas and Water

It is hereby noted and agreed that notwithstanding anything contained within part c) i) of the Unoccupancy **Conditions Precedent** or CP21 – Unoccupancy **Conditions Precedent** Wider Perils the electricity, gas and water supplies are to remain connected

CP27 – Illegal Cultivation of Drugs Extension

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

- a) carries out internal and external inspections of the *Premises* at least every 3 (three) months or as permitted under the tenancy agreement and maintains a log of such inspections which is retained for at least 24 (twenty four) months and carries out a 6 (six) monthly management check of the inspections log
- b) obtains and records written formal identification of any respective tenant
- c) obtains and retains a written employers reference for any new tenant
- d) obtains and records details of the *Insured's* tenants' bank account and verifies those details by taking out at least one payment from such an account
- e) advises the *Insured's* tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in b), c) and d) above for all lettings that they arrange

For the purposes of this clause only, *Policy* Exclusion 18. N. is hereby deleted.

Failure to comply with any of the above voids all cover under this Extension.

CP28 – Listed Building Condition Precedent

It is a **condition precedent** to *Our* liability that, for any heritage protected building or part thereof (including but not limited to Grade I, II* and Grade II listed buildings or in Scotland and Northern Ireland Grade A, B and C including

sub-categories) a professional valuation is carried out within 60 (sixty) days unless one has previously been carried out and accepted by *Underwriters* within the last 24 (twenty four) months.

CP29 – Fences Condition Precedent

It is a **condition precedent** to *Our* liability under this *Policy* that all sites are securely fenced off.

CP30 – Cooking Appliances Condition Precedent

It is a **condition precedent** to *Our* liability that any cooking is carried out in a designated kitchen area and is limited to the use of microwave ovens, infra-red grills and other such appliances not producing a naked flame or radiant heat panel.

It is *Your* responsibility that these appliances are subject to Portable Appliance Testing (PAT) on an annual basis.

GENERAL DEFINITIONS

Agent/Your Agent	The broker or other intermediary who arranged this insurance for <i>You</i> .
Annual Gross Rentals	The <i>Gross Rentals</i> during the 12 (twelve) months immediately before the date of the <i>Damage</i> to which such adjustments shall be made as may be necessary to provide for the trend of the <i>Business</i> and for variations in or special circumstances affecting the <i>Business</i> either before or after the <i>Damage</i> or which would have affected the <i>Business</i> had the <i>Damage</i> not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the <i>Damage</i> would have been obtained during the relative period after the <i>Damage</i> .
Bodily Injury	Physical injury not including sickness, illness, disease, nervous shock, mental injury or any naturally occurring condition or degenerative process or any gradually operating cause.
Building(s)	<p>The <i>Building(s)</i> situated at the address(es) specified in the <i>Schedule</i> which include;</p> <ul style="list-style-type: none">a) landlord's fixtures and fittingsb) annexes, gangways, outbuildings and extensions tenants improvements for which the landlord is responsible under the terms of the lease or other agreement under which the property is letc) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furnitured) walls, gates and fencese) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the <i>Premises</i> and extending to the public mains, but only to the extent of <i>Your</i> responsibilityf) yards, car parks, roads and pavements, forecourts, all constructed of solid materialsg) landscaping, excluding external ponds and lakes <p>all belonging to the <i>Insured</i> or for which the <i>Insured</i> is legally responsible.</p>
Business	<p>The ownership by the <i>Insured</i> of the <i>Property Insured</i> including;</p> <ul style="list-style-type: none">a) maintenance, occupation or use of the <i>Property Insured</i> by the <i>Insured</i>;b) the provision and management of canteen, sports, social or welfare organisations for the benefit of <i>Your Employees</i> and fire, security, first aid, medical and ambulance services;c) private work undertaken with the prior consent of the <i>Insured</i> by <i>Employees</i> for any director or senior official of the <i>Insured</i>.
Claimant's Costs	Legal costs and expenses (including court fees and disbursements) incurred by a claimant in bringing a claim against <i>You</i> , in respect of which claim <i>You</i> are entitled to an indemnity under Section 3 – Property Owners Liability or Section 4 – Employers' Liability of the <i>Policy</i> .
Computer Virus	A set of corrupting harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature. <i>Computer Virus</i> includes but is not limited to "Trojan Horses" "worms" and "time or logic bombs".
Cost of Reinstatement	Where the <i>Property Insured</i> is lost or destroyed, the cost of rebuilding the property to a standard equal to but not better or more extensive than its condition when new, or replacing the property including in the case of <i>Buildings</i> the cost of <i>Debris Removal</i> , <i>Professional Fees</i> , and <i>Increased Cost of Construction</i> expenses.

Where *Property Insured* is damaged but not lost or destroyed, the cost of repairing and restoring the property, or any damaged portion thereof, to a condition substantially the same as but not better or more extensive than its condition when new including in the case of *Buildings* the cost of *Debris Removal Costs, Professional Fees, and Increased Cost of Construction* expenses.

Damage(d)

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

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

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

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

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

Damages:

Sums which *You* are ordered to pay to a claimant by a court within the *Territorial Limits* in respect of liability incurred by *You* in tort, delict or quasi-delict.

**Debris Removal /
Debris Removal Costs**

The reasonable and necessary costs and expenses of:

- a) removing debris from;
- b) dismantling or demolishing;
- c) shoring up or propping; and/or
- d) boarding up;

the *Property Insured* which *You* incur as a direct result of *Damage* by a *Defined Peril*, excluding any costs or expenses:

- i) of removing debris except from the site of *Damage* and the surface of the area immediately adjacent to such site;
- ii) arising from pollution or contamination of property not insured by this Section; or
- iii) which are increased as a result of pollution or contamination of the debris.

Declared Value

The full *Cost of Reinstatement* of the *Property Insured* at the level of costs applying at the inception of the *Period of Insurance*.

**Defined Peril
(Unoccupied *Premises*)**

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

**Defined Peril
(Occupied *Premises*)**

The words *Defined Peril* shall mean fire, lightning, explosion, aircraft, or other aerial devices or articles dropped there from, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, theft, earthquake, storm, flood, overflowing or leaking of any sprinkler apparatus, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, falling trees branches and falling aerials.

Electronic Data

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

Employee(s)

Employee shall mean:

- a) any person under a contract of service or apprenticeship with *You*.
- b) any labour master or labour only subcontractor or persons supplied by any of them
- c) any self employed person
- d) any person hired or borrowed by *You* from another employer
- e) *Your* directors or partners, if applicable, in *The Business* (and references to “employment” in this *Policy* shall be construed accordingly to include work done by a director or partner in connection with *The Business*)
- f) voluntary workers
- g) any person with *You* for work experience
- h) agency workers or temporary staff working for *You* in connection with *The Business*.

Endorsement

A change to the terms of the *Policy* as agreed by *Us*.

Excess

For the purposes of Sections 1 and 2, *Excess* means the amount stated either in the *Policy* or in the *Schedule*, as applicable, that is to be deducted from any claim payable under this *Policy* borne by *You* after the application of Average (or Underinsurance). Further, under Section 1 - *Buildings* the *Excess* shall apply to each loss at each *Premises*.

For the purposes of Section 3 (Property Owners Liability) and Section 4 (Employer’ Liability), *Excess* means the amount as stated in the *Schedule* which *You* shall pay in respect of all *Damages*, compensation, *Claimant’s Costs*, Legal Costs and expenses before *We* shall be liable to make any payment. *Excess* shall apply to each *Occurrence* unless otherwise stated in the *Schedule*.

Glass

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

Gross Rentals	The money paid or payable to the <i>Insured</i> for tenancies and associated income derived from the letting of the <i>Premises</i> .
Increased Cost of Construction	<p>Any additional <i>Cost of Reinstatement</i> as may be incurred solely by reason of the necessity to comply with the Stipulations of:</p> <ul style="list-style-type: none"> a) European Community Legislation; or b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-laws of any Public Authority; (hereinafter referred to as “Stipulations”) in respect of the lost or damaged property thereby insured. <p>Excluding:</p> <ul style="list-style-type: none"> i) the cost incurred in complying with the Stipulations: <ul style="list-style-type: none"> i. in respect of Damage occurring prior to the inception of this <i>Policy</i>; ii. in respect of Damage not insured by the <i>Policy</i>; iii. under which notice has been served on <i>You</i> prior to the happening of the Damage; iv. for which there is an existing requirement which has to be implemented within a given period; v. in respect of property entirely undamaged by any peril insured against by this <i>Policy</i>; and vi. in respect of any undamaged property ii) the additional cost that would have been required to make good the property lost destroyed or <i>Damaged</i> to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen; iii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of that property by reason of compliance with the Stipulations.
Indemnity Period	The period beginning with the occurrence of the <i>Damage</i> and ending not later than the number of months thereafter stated in the <i>Schedule</i> during which the results of the <i>Business</i> shall be affected in consequence of the <i>Damage</i> .
Insured(s)	The firm, company or individual named in the <i>Schedule</i> .
Landlords Contents	<p>Furniture, furnishings, fitted carpets, domestic appliances and fixtures and fittings all belonging to the <i>Insured</i> or for which the <i>Insured</i> is responsible whilst contained in the <i>Buildings</i> insured by this section excluding:-</p> <ul style="list-style-type: none"> a) Any item falling under the definition of <i>Building(s)</i> b) Stock and materials in trade c) Property more specifically insured.
Limit of Indemnity	The maximum amount of compensation payable in the event of insured <i>Damage</i> .
Offshore	From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.
Outstanding Debit Balances	The total amount due to the <i>Insured</i> at the date of the <i>Damage</i> less bad debts.
Period of Insurance	The <i>Period of Insurance</i> specified in the <i>Schedule</i>
Policy	The entirety of the <i>Policy</i> of insurance specified in the <i>Schedule</i> and/or contained in any and all <i>Endorsements</i> or amendments forming part of the <i>Policy</i> (whether or not such <i>Endorsements</i> or amendments are agreed prior to the <i>Policy</i> of insurance coming into force or at any time thereafter). All references to the terms of this <i>Policy</i> shall be construed as references to the entire <i>Policy</i> ,

including all terms, conditions, exclusions, *Sums Insured*, *Excesses* deductibles, limits, *Schedules*, *Endorsements*, amendments and any other written contractual provisions that form part of the *Policy*.

Premises	The Address(es) specified in the <i>Schedule</i> .
Premium(s)	The amount(s) payable by <i>You</i> for the insurance cover provided (excluding Insurance <i>Premium</i> Tax) as specified in the <i>Schedule</i> .
Professional Fees	<p>The reasonable and necessary fees of any architect, engineer, surveyor, site manager or other construction professional which <i>You</i> incur solely for the repair or reinstatement of the <i>Property Insured</i> following <i>Damage</i>, with <i>Our</i> prior consent.</p> <p>For the avoidance of doubt, this excludes any costs or expenses incurred in preparing a claim under this <i>Policy</i>.</p>
Property Insured	The <i>Buildings</i> and <i>Landlords Contents</i> at the <i>Premises</i> , all as defined in these Definitions, if and to the extent they are included as <i>Property Insured</i> in the <i>Schedule</i> .
Proposal	The signed <i>Proposal</i> Form, Statement of Fact and any additional information supplied to <i>Us</i> by <i>You</i> or on <i>Your</i> behalf by <i>Your Agent</i> .
Renovation	Internal painting and decorating, tiling, replacement of bathroom and/or kitchen fixtures and fittings including sinks, wash basin, w.c., bath and shower, carpeting, internal joinery, plastering, installation/repair of central heating and external window replacement, but all excluding any work involving the use of heat (such as blow lamps, welding or cutting equipment) or any work involving structural alteration or extensions.
Schedule(s)	The <i>Schedule</i> specifying the terms and extent of this <i>Policy</i> .
Standard Gross Rentals	The <i>Gross Rentals</i> during that period in the twelve months immediately before the date of the <i>Damage</i> which corresponds with the <i>Indemnity Period</i> to which such adjustments shall be made as may be necessary to provide for the trend of the <i>Business</i> and for variations in or special circumstances affecting the <i>Business</i> either before or after the <i>Damage</i> or which would have affected the <i>Business</i> had the <i>Damage</i> not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the <i>Damage</i> would have been obtained during the relative period after the <i>Damage</i> .
Sum Insured/Sums Insured	The sum or limit specified in the <i>Schedule</i> as applying to the relevant Section of this <i>Policy</i> or items insured.
Territorial Limits	The United Kingdom, the Channel Islands or the Isle of Man.
Terrorism	An act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
Total Sum Insured	The total <i>Sum Insured</i> as stated in the <i>Schedule</i> applicable to all items of <i>Property Insured</i> falling within a category on the <i>Schedule</i> .
Underwriter(s)/We/Us/Our	Contessa Limited on behalf of various insurers as fully described in the <i>Schedule</i> .

Unlawful Association	Any organisation which is engaged in <i>Terrorism</i> and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Terrorism Act 2000 or any similar legislation.
Unoccupied	When the <i>Premises</i> are closed for trade, untenanted or not resided at for a period in excess of 30 (thirty) consecutive days
You/Your/Yours	The person, persons or the company or other organisation shown in the <i>Schedule</i> as the <i>Insured</i> .

COMPLAINTS PROCEDURE

If *You* have a complaint please refer to *Your Schedule* for details of the insurer(s) in respect of the sections that are relevant to *Your Policy*.

Where the insurer is defined as Contessa Limited on behalf of ERGO Versicherung AG, UK Branch (*We/Us/Our*)

Please quote *Your Policy* number in all correspondence so that *Your* concerns may be dealt with speedily.

HOW TO COMPLAIN

If *You* have a complaint about *Your Policy* or the handling of a claim, the details below set out some of the key steps that *You* can take to address your concerns.

Where do I start?

If *Your* complaint is about the way in which the *Policy* was sold to *You* or whether it meets *Your* requirements, *You* should contact the insurance broker who arranged the *Policy* for *You*.

If *Your* complaint is about a claim, *You* should refer the matter to Peter Murray, Claims Manager at Contessa Limited. Contact details are provided below.

Peter Murray
Claims Manager
Contessa Limited
Suite 732, 7th Floor
Lloyd's of London
One Lime Street
London, EC3M 7HA

Telephone: 020 7623 5858

Email: peter.murray@contessa-ltd.com

Alternatively *You* can ask *Your* broker to refer the matter on for *You*.

What happens next?

If *Your* broker, or Contessa Limited, is not able to resolve *Your* complaint to *Your* satisfaction by close of business on the third business day, they will refer *Your* complaint to the Head of Compliance at ERGO Versicherung AG, UK Branch, who will send *You* an acknowledgement letter. If *You* don't receive any acknowledgement letter, or at any time if *You* wish to do so, *You* may contact the Head of Compliance yourself by writing to:

Head of Compliance
ERGO Versicherung AG, UK Branch,
Munich Re Group Offices
Plantation Place
30 Fenchurch Street
London
EC3M 3AJ

Telephone: 020 3003 7444

E-mail: complaints@ergo-commercial.co.uk

The Head of Compliance will investigate *Your* complaint and will provide *You* with a written response within eight weeks of *Your* initial complaint. This will either be a final response or a letter informing *You* that we need more time for our investigation.

If *You* remain unhappy

If *We* have not resolved *Your* complaint at the end of eight weeks, or if after receiving *Our* final response *You* remain dissatisfied, *You* may be able to refer *Your* complaint to the Financial Ombudsman Service (contact details below). *You* will have six months from the date of the final response to make this referral.

Your rights as a customer to take legal action are not affected by the existence or use of the complaints procedure mentioned above. However, the Financial Ombudsman Service may not adjudicate on a case where court proceedings are actively in progress.

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 0234 567

Further information is available from them and *You* may refer a complaint to them online at www.financial-ombudsman.org.uk

The Ombudsman will review complaints from eligible complainants. An eligible complainant is defined as:

1. a private individual;
2. a business, which has a group annual turnover of less than €2m (approx. £1.6m) and fewer than 10 staff at the time the complainant refers the complaint to the respondent;
3. a charity which has an annual income of less than £1m at the time the complainant refers the complaint to the respondent; or
4. a trustee of a trust which has a net asset value of less than £1m at the time the complainant refers the complaint to the respondent.

Where the insurer is defined as Contessa Limited on behalf of AXIS Specialty London, a UK branch of AXIS Specialty Europe SE (*We/Us/Our*)

AXIS SPECIALTY EUROPE SE* (ASE)**1 Customer Care Statement**

At ASE *We* value the experience of each of *Our* customers in their interaction with *Us*. If *You* feel that *We* have not met the customer care standards *You* expect, please contact *Our* Complaints Manager to give us *Your* comments. *We* undertake to deal with all consumer complaints promptly and fairly.

2 Complaints Manager Contact Details

You may contact *Our* Complaints Manager at the below email address. Please quote *Your Policy* number and policyholder name in all communication.

Email: complaintsmanagereurope@axiscapital.com

3 Management of *Your* Complaint

Our Complaints Manager will manage any complaints received by ASE. Where it is appropriate *We* will contact *You* before close of business on the business day following receipt of *Your* complaint to establish if an early resolution is possible. However, if *Your* complaint is not suitable for early resolution *We* will formally acknowledge *Your* complaint within five business days.

4 Consumer Complaint Procedure

Where a complaint is from a consumer *We* have a procedure in place for handling *Your* complaint efficiently and promptly. *We* will write to formally acknowledge *Your* complaint and investigate *Your* complaint. At this stage *We* may re-contact you. *We* will endeavour to conclude the investigation within 40 business days, from the date *We* receive *Your* complaint.

5 Conclusion of Consumer Complaint Procedure

If *You* are not satisfied with *Our* decision following conclusion of *Our* Complaint Procedure *You* may refer the matter to the UK Financial Ombudsman Service or to the Irish Financial Services Ombudsman, as appropriate, details of which are:-

Financial Ombudsman Service

Address: Exchange Tower, London E14 9SR
Online Complaints: www.financial-ombudsman.org.uk
Email Queries: complaint.info@financial-ombudsman.org.uk

Phone: 020 7964 1000
Fax: 020 7964 1001
Public Office Hours: Monday to Friday (8am to 8pm) and Saturday (9am to 1pm)
Saturday – 9am to 1pm

Financial Services Ombudsman Bureau

Address: 3rd Floor, Lincoln House, Lincoln Place, Dublin 2, Ireland
Online Complaints: www.financialombudsman.ie
Email Queries: enquiries@financialombudsman.ie
Phone: +353 (0)1 6620899
Fax: +353 (0)1 6620890
Public Office Hours: 10.00 – 13.00 hours and 14.00 – 17.00 hour

6 Privacy Policy

When dealing with *Your* complaint *We* and our group of companies may use and share information relating to *You* and *Your* complaint, such use will be in accordance with applicable data protection law. *We* may record or monitor calls for customer service, staff training or fraud prevention purposes.

Axis Specialty Europe SE is authorised and regulated by the Central Bank of Ireland. This company was formerly Axis Specialty Europe Limited. All contracts and policies effectively completed prior to this change shall remain binding and effective.

Where the insurer is defined as Contessa Limited on behalf of Novae Syndicates Limited (*We/Us/Our*)

If *You* have any questions or concerns about *Your Policy* or the handling of a claim *You* should, in the first instance, contact *Your Agent* who arranged this *Policy* for *You*.

Please quote *Your Policy* number in all correspondence so that *Your* concerns may be dealt with speedily.

If *Your Agent* is unable to resolve the complaint to *Your* satisfaction by close of business on the third business day *You* should then contact:

Novae Syndicates Limited
Chief Executive
Novae Insurance Company Limited
71, Fenchurch Street
London EC3M 4HH

If *You* are still not satisfied with the way a complaint has been dealt with *You* may ask the Complaints Department at Lloyd's to review *Your* case without prejudice to *Your* rights in law.

The address is:

Complaints Department, Lloyd's, One Lime Street, London EC3M 7HA

If appropriate *You* may refer *Your* complaint to the Financial Ombudsman Service.

The address is :
The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square,
London E14 9SR

Telephone No: 0800 023 4567

Please quote *Your Policy* number in all correspondence so that *Your* complaint may be dealt with speedily.

Data Protection

We hold data in accordance with the Data Protection Act 1998. It may be necessary for *Us* to pass data to other organisations that supply products and services associated with this contract of insurance. In order to verify information, or to prevent and detect fraud, *We* may share information *You* give *Us* with other organisations and public bodies, including the Police, accessing and updating various databases. If *You* give *Us* false or inaccurate information and *We* suspect fraud, *We* will record this and the information will be available to other organisations that have access to the database(s). *We* can supply details of the databases *We* access or contribute to on request.



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