



**Electrical Contractors
Policy**

Introduction

Thank you for choosing Towergate Underwriting Liability and Construction. This is your **Policy** setting out your insurance protection in detail.

Underwritten by ACE European Group Limited.

This **Policy** has been exclusively arranged by:

Towergate Underwriting Group Limited trading as Towergate Underwriting Liability and Construction
Towergate House
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ACE European Group Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Towergate Underwriting Group Limited is authorised and regulated by the Financial Conduct Authority.

This **Policy** has been issued through Towergate Underwriting Group Limited trading as Towergate Underwriting Liability and Construction and any claims or underwriting queries should be forwarded to them at the above address.

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Electrical Contractors Policy

This **Policy** constitutes a legal contract and there are provisions within it that restrict coverage.

Please examine this **Policy** carefully to determine your rights, duties, and what is and is not covered, and to ensure that it meets with your requirements.

If you have any concerns, please contact your insurance advisor immediately.

You should be aware that you are under a continuing duty to disclose all material facts, and any changes to material facts previously disclosed. Such facts are required by the **Insurer** for the purposes of assessing the risk insured by this **Policy**, and the terms, conditions and **Premium** to be applied.

FAILURE TO COMPLY WITH THIS DUTY MAY INVALIDATE THIS **Policy** OR RESULT IN THIS **Policy** NOT OPERATING FULLY. Again, if you have any concerns, please contact your insurance advisor immediately.

As consideration for the **Insured** paying the **Premium** to the **Insurer**, and on the basis of the **Proposal**, all the terms of which shall be incorporated into this **Policy**, the **Insurer** will provide the insurance described in this **Policy**, subject to its terms and conditions, for the **Policy Period**.

Signed on behalf of ACE European Group Limited



Andrew Kendrick
Chairman and Chief Executive Officer
ACE European Group Limited

General Policy Definitions

A defined word, term or phrase will be shown in bold each time it appears in the **Policy** except where incorporated in headings and titles.

Each time one of the following defined words, terms or phrases is used, it will have the same meaning wherever it appears in the **Policy** whether expressed in the singular or the plural, male, female or neutral, unless an alternative definition is stated to apply.

Each Section of the **Policy** contains specific defined words, terms or phrases which apply only to that particular Section and which must be read in conjunction with the following General Policy Definitions:

Airside

Airport or aerodrome runways, manoeuvring areas or aprons, control towers or those parts of airports or aerodromes to which aircraft have access, including but not limited to hangars.

Bodily Injury

Death, bodily injury, disease and illness including psychiatric illness.

Breakdown

Mechanical or electrical breakdown, failure and / or derangement.

Business

Those activities connected with the Business specified in the **Schedule** and in addition the following:

- (1) the ownership and maintenance of premises; and
- (2) the provision and management of canteen, social, sports and welfare organisations for the **Employees**; and
- (3) the provision and management of first aid, fire and ambulance services; and
- (4) private work carried out with the consent of the **Insured** for any director, partner or senior official of the **Insured** by an **Employee**.

Claim

For the purposes of these General Definitions, General Exclusions, General Conditions Precedent and General Conditions, **Claim** shall comprise the meanings attributed to the term in Section A – Liabilities, Section C – Professional Indemnity or Section G – Directors and Officers.

Damage

Loss, destruction or damage.

Defined Perils

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

Employee

Any:

- (1) person under a contract of service or apprenticeship with the **Insured**; and
- (2) non-executive director; and
- (3) labour master or labour only sub-contractor or person supplied by any of them; and
- (4) self employed person; and
- (5) person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the **Insured**; and
- (6) person participating in any Government or otherwise authorised work experience, training, study, exchange or similar scheme; and
- (7) outworker or homeworker; and
- (8) voluntary or unpaid person; and
- (9) any person deemed to be an Employee by a court of law in the **United Kingdom**,

while engaged in working for the **Insured** in connection with the **Business**.

Excess

The amount or amounts specified in the **Policy** which the **Insurer** will deduct from each and every claim made under this **Policy** prior to settlement.

For the avoidance of doubt, the **Insured** agrees to pay the **Excess**, and the **Insurer** shall have no liability therefor.

Insured

- (1) the first named party in the **Schedule**; and
- (2) any associated or subsidiary company of the first named party and which is named in the **Schedule** operating in or from premises in the **United Kingdom**.

Insurer

ACE European Group Limited.

Limit of Indemnity

The limit applicable to the relevant Section shown in the **Schedule** as being operative and is the maximum amount payable by the **Insurer**.

Money

- (1) Negotiable Money

Cash (notes and coins), uncrossed cheques, uncrossed bills of exchange, uncrossed postal orders, uncrossed money orders, luncheon vouchers, current postage and revenue stamps, unused units in postage stamp franking machines, trading stamps, Customer Redemption Vouchers, National Insurance stamps, stamped or franked National Insurance cards, Holiday with Pay stamps, National Savings stamps, prepaid telephone cards, airline and rail tickets, gift tokens all pertaining to the **Business** and belonging to or the responsibility of the **Insured**.

(2) **Non-Negotiable Money**

Crossed cheques, crossed postal orders, crossed money orders, Money-crossed bankers drafts, National Savings Certificates, Premium Bonds, credit and debit card sales vouchers, VAT purchase invoices, all pertaining to the **Business** and belonging to or the responsibility of the **Insured**.

Occurrence

One event or a series of events consequent upon or attributable to one original source or cause.

Offshore

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

Policy

The term **Policy** means and includes:

- (1) all terms, Conditions, Exclusions, Extensions and the **Schedule**, all whether general or Section specific, comprising this document; and
- (2) all other schedules, notices, appendices, subjectivity notices and other documents agreed by the **Insurer** and the **Insured**, attaching from time to time; and
- (3) all endorsements issued from time to time for incorporation in this document,

all of which shall be read together and constitute the contract of insurance between the **Insured** and the **Insurer**.

Policy Period

From the effective date to the earlier of the expiry date [both shown in the **Schedule**] or the effective date of termination of this **Policy**, or any subsequent period for which the **Insurer** accepts payment for renewal of this **Policy**.

Pollution

Pollution or contamination by naturally occurring or man-made substances, forces, organisms, or any combination of them, whether permanent or transitory, which directly or indirectly results in **Damage to Property** or **Bodily Injury**.

Premium

The amount stated in the **Schedule**.

Premises

Any premises specified in the **Schedule**.

Principal

Any company, partnership, public authority or individual for whom the **Insured** has agreed to carry out work under the terms of a contract or agreement.

Property

Any material or tangible property.

Proposal

Any information provided to the **Insurer** by the **Insured** or its agent or representative, at any point in time, which information may, at any time, be relied upon by a reasonable insurer, or by the **Insurer**, for the purposes of assessing the risk insured by this **Policy** and the terms, conditions and **Premium** applied.

Schedule

The Schedule attached to and comprising part of this **Policy**, together with any renewal Schedules relating thereto.

Sum Insured

The amount in respect of each item shown in the **Schedule** or in any Extensions to any Section or Sub-Section, or in any Optional Extension shown as being operative, which amount shall be the maximum amount payable by the **Insurer** in respect of such item.

Terrorism

Any actual or threatened:

- (1) action falling within Section 1 subsection (2) of the Terrorism Act 2006; or as amended by subsequent legislation; or
- (2) use of force or violence against persons or property; or
- (3) commission of an act dangerous to human life or property; or
- (4) commission of an act that interferes with or disrupts an electronic or communications system,

undertaken by any person or group of persons, whether or not acting on behalf of or in connection with any organisation(s), government(s), power, authority or military force, when the reasonably apparent intent or effect is:

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

TULaC

Towergate Underwriting Group Limited trading as Towergate Underwriting Liability and Construction.

United Kingdom

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

War

War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

General Policy Exclusions

(1) Date Recognition (not applicable to Sub-Section (1) - Employers Liability of Section A - Liabilities and Section F - Terrorism).

This **Policy** does not cover any **Claim** or claim, loss, destruction, damage, injury, cost, expense or liability whatsoever, directly or indirectly caused by, arising out of, connected with, or consisting of the failure or inconsistency in performance or function of any equipment, whether the property of the **Insured** or not, and whether occurring before, during or after the year 2000, where such property is affected by any failure:

- (a) to correctly recognise or establish any date as its true calendar date; or
- (b) to recognise, capture, save, retain and / or correctly calculate, interpret or process any data or information, command or instruction as a result of failure in date based functionality, associated algorithms or rules, or treating any date otherwise than as its true calendar date; or
- (c) to recognise, capture, save, retain and / or correctly manipulate, calculate, interpret or process any data or information as a result of the operation of any command which had been programmed into any computer software or hardware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, manipulate, calculate, interpret or correctly process any such data or information as a result of failure based on functionality and / or any associated algorithms or rules,

except any **Claim** or claim, loss, destruction, damage, injury, cost, expense or liability, not otherwise excluded, which itself results from a **Defined Peril**.

(2) Radioactive Contamination (not applicable to Section A [Liabilities] Sub-Section 1 [Employers Liability])

The **Insurer** shall not indemnify the **Insured** in respect of any **Claim** or claim, loss, destruction, damage, injury, cost, expense or liability whatsoever, directly or indirectly caused by, arising out of, connected with or comprising:

- (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.

(3) Sanction Limitation and Exclusion Clause

The **Insurer** shall not provide cover and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such

benefit would expose the **Insurer** 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 or United States of America.

(4) Sonic Bangs

The **Insurer** shall not indemnify the **Insured** in respect of **Damage** caused directly by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

(5) Terrorism (not applicable to Section A - Liabilities and Section F - Terrorism)

Notwithstanding any provision to the contrary within this **Policy**, it is agreed that this **Policy** excludes any **Claim** or claim, loss, damage, legal liability or cost or expense of whatsoever nature directly or indirectly caused by, 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.

Additionally, this **Policy** excludes any **Claim** or claim, loss, damage, legal liability or cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of **Terrorism**.

If the **Insurer** alleges that by reason of this Exclusion any **Claim** or claim, actual or alleged loss, damage, legal liability or cost or expense is not covered by this **Policy**, the burden of proving the contrary shall be upon the **Insured**.

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.

(6) War

The **Insurer** shall not indemnify the **Insured** in respect of any **Claim** or claim, loss, destruction, damage, injury, cost, expense or liability whatsoever, directly or indirectly caused by, arising out of, connected with or comprising **War**.

General Policy Conditions

(A) Conditions Precedent

The following shall be conditions precedent to any liability of the **Insurer** to make payment under this **Policy**.

(1) Claims Notification

On the discovery or receipt of any **Claim** or claim, loss, or **Occurrence**, which may give rise to a claim under this **Policy**, the **Insured** shall, as a condition precedent to the **Insurer's** liability:

- (a) give immediate written notice of such **Claim** or claim, loss, or **Occurrence**, to **TULaC** at the address given at the front of this **Policy**; and

- (b) in respect of any **Claim** or claim, loss, or **Occurrence** (other than fire or explosion) involving malicious persons, including but not limited to thieves, or involving any loss of **Money**, also give immediate notice to the Police Authority; and
- (c) in respect of any **Claim** or claim, loss, or **Occurrence** involving any loss of stamped National Insurance cards, also give immediate notice to the Inland Revenue; and
- (d) notify the **Insurer**, during the **Policy Period**, of any circumstance reasonably expected to give rise to a **Claim** as defined under Section 'C - Professional Indemnity, and under Section 'D' – Directors and Officers only, as soon as reasonably practicable. Such notice must include reasons for anticipating that **Claim**, and full relevant particulars with respect to dates, the error, act or omission, the identity of the **Insured** who committed such error, act or omission, and the claimant concerned.

(2) Provision of Information

Following Claims Notification it shall be a condition precedent to the **Insurer's** liability, that the **Insured** shall as soon as reasonably practical, but in any event within 30 (thirty) days [7 (seven) days in the case of **Damage** caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons] and at the **Insured's** expense, provide:

- (a) all information relating to the **Claim** or claim, loss, or **Occurrence** including all such business books, documents, proofs, information, explanation and other evidence as may be reasonably required, all of which information and details may be produced by the **Insured's** professional accountants or auditors, provided they regularly act as such and said report shall be prima facie evidence of such information and details; and
- (b) details of any other insurance relating to the **Claim** or claim, loss, or **Occurrence**; and
- (c) details of any other parties interested in this **Policy** in the context of such **Claim** or claim, loss, or **Occurrence**; and
- (d) all other information the **Insurer** may reasonably require.

(3) Co-operation

As a condition precedent to the **Insurer's** liability, the **Insured** shall:

- (a) co-operate fully with, and actively take steps to involve and allow the **Insurer** full discretion in the investigation, adjustment, defence or settlement of any **Claim** or claim, loss, **Occurrence**, or circumstance; and

(b) if requested by the **Insurer**, allow the **Insurer** to take over the conduct, defence and settlement of any **Claim** or to prosecute any claim in the name of the **Insured** for its own benefit; and

(c) allow the **Insurer** to instruct solicitors of its choice to act on the **Insured's** behalf in any civil or criminal proceedings; and

(d) immediately advise the **Insurer** of any subsequent material developments in respect of any **Claim** or claim, loss, **Occurrence**, or circumstance; and

(e) not respond to any **Claim**, writ, summons, letter or other document received in the context of any **Claim**, loss, **Occurrence**, or circumstance, except in accordance with the instructions of the **Insurer**. Any such **Claim**, writ, summons, letter or other document must be provided to the **Insurer** immediately; and

(f) not admit liability, make any promise, incur any expense or agree any settlement in respect of any **Claim**, loss, **Occurrence**, or circumstance without the **Insurer's** prior consent.

(4) Housing Grant, Construction and Regeneration Act 1996 Disputes

If a dispute under a construction contract defined in Sections 104 to 107 and Section 117 of Part II of the above Act is referred to adjudication under the procedure of the Act and may involve the **Insurer** in a payment under any Section of this **Policy**, then the **Insured** must as a condition precedent to the **Insurer's** liability:

- (a) inform **TULaC** verbally, by facsimile or by any other suitable means, immediately the **Insured** becomes aware of the referral; and
- (b) send **TULaC**, immediately on receipt, relevant documents in connection with the dispute.

The **Insurer** will only be responsible for damages and costs that become payable by the **Insured**.

The **Insured** must not waive under contract or otherwise, any rights of appeal against the decision given by the Adjudicator. If the **Insured** does not comply with this, the **Insurer** shall not pay the damages or costs for which the **Insured** is held responsible to pay.

If the **Insurer** successfully appeals against a decision, and the **Insurer**:

- (i) is allowed a full or partial recovery of the decision; and
- (ii) has not received the amount involved from whatsoever source after a period of 6 (six) months from the date of the decision,

then the **Insurer** reserves the right to recover the amount from the **Insured**.

Any dispute will be dealt with in accordance with the terms and conditions of this **Policy**.

(B) Conditions

(1) Assignment

Assignment or transfer of this **Policy** or any of the rights of the **Insured** hereunder shall not be valid without the written consent of the **Insurer**.

(2) Change in Circumstances

The **Insured** must advise **TULaC** immediately of any change in the **Business** or address.

(3) Dispute Resolution Arbitration

Any dispute between the parties arising out of or in connection with this **Policy**, including its formation and validity, and whether arising during or after the **Policy Period**, shall be finally and fully determined by way of arbitration in the manner set out below.

The arbitration tribunal shall, unless the parties agree otherwise, consist of persons (including those who have retired) with not less than 10 (ten) years' experience of international insurance or reinsurance business, having been engaged in such business or advising such business in a professional capacity.

Unless the parties agree upon a single arbitrator, within 30 (thirty) days of one receiving a written request from the other for arbitration, the party requesting arbitration ("the **Claimant**") shall appoint one arbitrator ("the **First Arbitrator**") and shall give written notice thereof to the other party ("the **Respondent**"). Within 30 (thirty) days of receiving such notice, the **Respondent** shall appoint another arbitrator ("the **Second Arbitrator**") and give written notice to the **Claimant**, failing which the **Claimant** may apply to the **Appointer** named below to appoint the **Second Arbitrator**.

Once appointed, the **First** and **Second Arbitrators** shall within 30 (thirty) days of the appointment of the **Second Arbitrator** appoint a third arbitrator ("the **Third Arbitrator**"). Should they fail to do so, then either of them or the parties may apply to the **Appointer** for the appointment of the **Third Arbitrator**. However appointed, the **Third Arbitrator** shall be chairman.

Upon acceptance of the appointment by the **Third Arbitrator** the tribunal shall be constituted. The three arbitrators shall decide by majority. If a majority cannot be achieved the decision of the **Third Arbitrator** shall prevail.

If an arbitrator, subsequent to his appointment, is unwilling or unable to act, a new arbitrator shall be appointed to replace him by the procedure set out above.

Unless otherwise extended or ordered by the tribunal within 15 (fifteen) days of the appointment of the **Third Arbitrator**, each party shall submit its case to the tribunal within 45 (forty-five) days of the appointment of the **Third Arbitrator**.

The tribunal shall not be bound by the formal rules of evidence. The tribunal shall have power to fix all procedural rules relating to the conduct of the arbitration.

The tribunal shall within 60 (sixty) days of reaching its decision, issue to the parties its written and reasoned award. The award shall be final and binding on the parties who agree to carry out the same. If either of the parties should fail to carry out the award, the other may apply for its enforcement to a court of competent jurisdiction in any territory in which the party in default is domiciled or has assets or carries on business.

All costs of the arbitration shall be at the discretion of the tribunal who may direct to and by whom and in what manner they shall be paid.

The **Appointer** shall be the Chairman of ARIAS UK.

The seat of the arbitration shall be a City within the **United Kingdom**, as agreed by the parties. In the absence of such agreement, the seat shall be determined by the **Third Arbitrator**.

This clause remains valid, should the **Policy** be void.

Court Jurisdiction

Subject to the provisions of the arbitration clause contained herein, the parties hereby submit to the exclusive jurisdiction of the courts of England and Wales.

(4) Cancellation

The **Insurer** may cancel this **Policy** or any Section thereof:

- (a) by giving 30 (thirty) days' notice by recorded delivery letter to the last known address of the **Insured**, whereupon the **Insured** shall be entitled to a return of premium, calculated on a pro rata basis in respect of the unexpired **Policy Period**; or
- (b) immediately, if the **Premium** has not been paid or if there has been a default under an instalment or linked credit agreement.

Notwithstanding any other provisions contained herein to the contrary, in the event of the **Insured** requesting cancellation of this **Policy**, no refund of premium shall be allowed.

(5) Contracts (Rights of Third Parties) Act

A person or company who is not a party to this **Policy** has no rights under the Contracts (Rights of Third Parties) Act 1999 in respect of this **Policy**.

This Condition does not affect any right or remedy which exists or is available notwithstanding such Act.

(6) Discharge of Liability

The **Insurer** may at any time pay:

- (a) the **Limit of Indemnity**; or
- (b) the **Sum Insured**; or
- (c) a smaller amount for which a **Claim** or claim can be settled

after deduction of any sum already paid.

The **Insurer** will not be liable for any further payment except for costs and expenses incurred prior to the payment of a **Claim** or claim or with the **Insurer's** consent.

(7) Dual Coverage

In the event that more than one Section of this **Policy** provides an indemnity for the same loss, the **Insured** must select the Section under which it wishes to claim for such loss. Upon such selection having been made, the **Insured** shall not be entitled to claim under any other Section, in respect of the loss, regardless.

(8) Fraud

If a claim under this **Policy** is in any respect fraudulent or if any fraudulent means or devices are used by the **Insured** or anyone acting on the **Insured's** behalf to obtain any benefit under this **Policy** or if any **Damage** is occasioned by the wilful act or with the connivance of the **Insured**, all benefit under this **Policy** is forfeited.

(9) Governing Law

Any dispute concerning the interpretation of this **Policy** shall be governed by and construed in accordance with the law of England and Wales.

(10) Material Alteration

The **Insured** must advise **TULaC** immediately if:

- (a) there is any alternation in the risk whereby the risk of injury, liability or **Damage** is increased; or
- (b) there is any alteration to the information declared in the **Proposal**; or
- (c) the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued; or
- (d) the **Insured's** interest ceases otherwise than by death.

(11) Other Insurance

If in respect of any claim under this **Policy**, there is any other insurance policy or indemnity in favour of the **Insured** in force relative to such claim, or there would be but for the existence of this **Policy**, the

liability of the **Insurer** shall be limited to the amount in excess of such other policy or indemnity.

(12) Policy Voidable

Without prejudice to any other rights of the **Insurer** available at law, this **Policy** shall be avoided if:

- (a) the **Business** is wound up or conducted by a liquidator or receiver or permanently discontinued; or
- (b) the **Insured's** interest ceases otherwise than by death; or
- (c) the risk is materially increased, unless agreed by the **Insurer** in writing.

(13) Premium adjustment

Applicable to Sections A and B

If any part of the **Premium** or renewal premium is based on estimates provided by the **Insured**, the **Insured** shall keep an accurate record containing all relevant particulars and shall allow the **Insurer** to inspect such record. The **Insured** shall, within one month after the expiry of the **Policy Period**, provide such information as the **Insurer** may require. The **Premium** shall then be adjusted and the difference paid by or allowed to the **Insured**.

Such adjustment shall be subject to:

- (a) any Section minimum premium chargeable for the risk being retained by the **Insurer**; and
- (b) a maximum return premium of 25% (twenty five percent) of the adjustable portion of the premium for each Section;

Provided that there shall be no refund of premium on adjustment following cancellation of this insurance under the terms of General Condition 4.

(14) Reasonable Precaution

The **Insured** shall:

- (a) take all reasonable precautions to prevent or diminish **Bodily Injury** or **Damage** or cease any activity which may give rise to liability under this **Policy** and to maintain all premises, property, plant and equipment and everything used in connection with the **Business** in proper repair; and
- (b) exercise care in the selection and supervision of **Employees**; and
- (c) as soon as reasonably practicable after discovery, cause any defect or danger to be made good or remedied and in the interim take all additional precautions as may be required with effect from the date of the event, if this occurs after the commencement of the **Policy Period**.

(15) Related Claims or Single Claims

If notice of a **Claim** or claim or circumstance is given as required by this **Policy**, then any subsequent **Claim** or claim alleging, arising out of, based upon or attributable to the cause, facts, error, act or omission alleged in that **Claim** or claim, or as described in that circumstance, shall be deemed to have been first made at the same time as that **Claim** or claim was first made and reported to the **Insurer**, and shall constitute one claim under this **Policy**, for the purposes of the **Limit of Indemnity**, the **Sum Insured** and the **Excess**.

(16) Subrogation Rights

Anyone making a claim under this **Policy** must, at the **Insurer's** request and expense, do everything the **Insurer** reasonably requires to:

- (a) enforce a right or remedy; or
- (b) obtain relief or indemnity,

from other parties to which the **Insurer** shall become entitled or subrogated because of payment for or making good, **Damage**, accident or injury, or settling any claim.

The **Insurer** may require the **Insured** to carry out such actions before or after the **Insurer** makes any admission of or payment of a claim.

(17) Subrogation Waiver

The **Insurer** agrees to waive any rights, remedies or relief to which it might become entitled against any parent or subsidiary company of the **Insured** or any fellow subsidiary where the **Insured** is also a subsidiary as defined by current legislation.

(18) Sums Insured

All the **Sums Insured**, **Limits of Indemnity** and any other restrictions on the amount of the **Insurer's** liability stated in this **Policy** will apply as maximum limits to the **Insurer's** liability irrespective of the number of persons entitled to indemnity under this **Policy**.

For the purposes of the **Sums Insured**, **Limits of Indemnity** and any other restrictions on the amount of the **Insurer's** liability the **Insured** and all other persons entitled to indemnity under this **Policy** shall be treated as a joint policyholder collectively, so that there will be only a single contract of insurance between the **Insurer** as one party and the **Insured** and all other persons entitled to indemnity as the other party.

(19) Policy Modification

This **Policy** can be changed only by Endorsement agreed by the **Insurer** or **TULaC** on the one hand and the **Insured** on the other hand.

Subjectivities may only be removed by written confirmation from the **Insurer** or **TULaC** stating that the subjectivities no longer apply. Notice to, or knowledge possessed, by any agent or other person will not:

- (a) create a waiver, or change any part of this **Policy**; or
- (b) prevent the **Insurer** from asserting any rights under the provisions of the **Policy**.

(20) Titles and Headings

Titles and headings are descriptive, and are inserted solely for convenience of reference, and shall not be deemed to limit or affect the provisions to which they relate in any way.

(21) Conflict of Conditions

In the event of any conflict between the General Definitions, the General Exclusions, the General Conditions and the General Conditions Precedent, and any Section specific Definitions, Exclusions, Conditions Precedent or Conditions, the Section specific provisions shall take priority.

Section A - Liabilities

Section Definitions

[Please also refer to the General Policy Definitions at the front of this **Policy**]

Claim

A demand made on or an assertion of any right against the **Insured**, including but not limited to a civil, regulatory, mediation, administrative or arbitration proceeding, including any counter-claim.

Clean Up Costs

The cost of **Remediation** incurred by the **Insured** (or for which it becomes legally liable to pay) as required by any **Enforcing Authority**, but shall not include the costs of achieving any improvement or alteration in the condition of the land, the atmosphere, or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time **Remediation** commences.

Compensatory Damages

Damages which the **Insured** is legally liable to pay in respect of accidental **Bodily Injury** or accidental **Damage** to **Property** including losses flowing directly therefrom, but excluding losses of any other kind.

Costs

Any sum payable in accordance with B, C or D of the Indemnity Clause of this Section.

Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation.

Financial Loss

A pecuniary loss or expense sustained by:

- (1) any third party from any contingency not caused by **Products**; or
- (2) any customer of or user of **Products** resulting from the defective or harmful condition of such **Products** or their failure (or any part thereof) to perform the function for which they were supplied by the **Insured**.

Inefficacy

The failure of any **Product** to perform the function for which it was manufactured, supplied, leased, installed, commissioned, erected, altered, tested, repaired, treated or serviced by the **Insured** or on behalf of the **Insured** or the failure to provide the duties that the **Insured** has contracted to perform in the normal course of the **Business**.

Keys

Customers' keys, electronic pass cards, digital locks and similar security devices.

Products

Any products or goods (including containers, labelling or instructions provided in connection therewith) which are sold, supplied, erected, repaired, altered, treated or installed by the **Insured** in the course of the **Business**.

Remediation

Remedying the effects of **Pollution**.

Wrongful Arrest

Any unlawful physical restraint by one person on the liberty of another including:

- (1) assault and battery committed or alleged to have been committed at the time of making or attempting to make an arrest or in resisting an overt attempt to escape by a person under arrest before such person has or could be placed in the custody of the police or an officer of the court; and
- (2) libel or slander, false imprisonment or malicious prosecution either:
 - (a) committed or alleged to have been committed directly in connection with an arrest; or
 - (b) arising out of the investigation of acts of shoplifting or theft.

Indemnity Clause

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy**, to indemnify the **Insured** in respect of:

- A All sums that fall within the Scope of Cover defined in Sub-Sections (1) and (2) and which arise in connection with the **Business**; and
- B Claimant's costs and expenses arising in respect of any **Claim** against the **Insured** which may be the subject of indemnity under this Section; and
- C Costs and reasonable expenses incurred by, or with the written consent of, the **Insurer** in respect of any **Claim** made against the **Insured** which may be the subject of indemnity under this Section; and
- D All reasonable legal costs and expenses incurred with the written consent of the **Insurer** for representation of the **Insured** at:
 - (1) any Coroner's Inquest or Fatal Accident Inquiry in respect of any death; or
 - (2) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty resulting in **Bodily Injury**,

which may be the subject of indemnity under this Section.

Sub-Section (1) - Employers Liability

Scope of Cover

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy**, to indemnify the **Insured** in respect of **Compensatory Damages** awarded by a court outside the United States of America or Canada or any territory within their jurisdiction, as a result of **Bodily Injury** to any **Employee**, arising out of and in the course of their employment or engagement by the **Insured**, and caused during the **Policy Period**, provided that at the time of the **Bodily Injury**, such **Employee**:

- (a) was employed by the **Insured** in the **United Kingdom**; or
- (b) while ordinarily employed by the **Insured** in the **United Kingdom**, was temporarily employed outside the **United Kingdom**, for a period not exceeding 12 (twelve) months.

Limit of Indemnity

The **Limit of Indemnity** under this Sub-Section shall be inclusive of **Costs**.

Sub-Section Exclusions

The following Exclusions apply to this Sub-Section. Also refer to the General Policy Exclusions and the Section Exclusions.

The **Insurer** shall not indemnify the **Insured** under this Sub-Section in respect of:

- (1) **Bodily Injury** for which the **Insured** is required to arrange motor insurance or security in accordance with any road traffic legislation; or
- (2) liability caused by or arising from work:
 - (a) **Offshore**; or
 - (b) on or alongside railway tracks; or
 - (c) at a height where the drop exceeds 16 (sixteen) metres; or
 - (d) at a depth which exceeds 3 (three) metres below the surface of the ground; or
- (3) liability for payment under any Workman's Compensation scheme or similar social workplace compensation legislation whilst working outside the **United Kingdom**.

Sub-Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy** (unless expressed to the contrary in this Sub-Section), to provide the following Extensions of cover:

(1) Employees' Business Liability

At the request of the **Insured**, the **Insurer** will

indemnify any **Employee** in respect of a claim made against that **Employee**, which would have constituted a valid claim under the Scope of Cover of this Sub-Section had the claim been made against the **Insured**.

(2) Injuries to Partners

In respect of **Bodily Injury** sustained by any partner named in the **Schedule** the **Insurer** will, for the purpose of this Sub-Section, deem that person to be an **Employee**.

Provided that:

- (a) the injuries are sustained whilst that person is working in connection with the **Business**; and
- (b) the injuries are caused by another partner or **Employee** whilst working in the **Business**; and
- (c) the injured partner has a valid right of action in negligence against the partner or **Employee** responsible for such injury.

(3) Unsatisfied Court Judgments

In the event of any **Employee** or personal representative of any **Employee** being awarded damages for which a third party is liable, by any court outside the United States of America or Canada or any territory within their jurisdiction, in respect of **Bodily Injury** arising out of and in the course of the **Employee's** employment or engagement by the **Insured**, the **Insurer** will indemnify the **Employee** or the personal representative of the **Employee** in respect of any damages or costs awarded, to the extent that such damages or costs remain unsatisfied after 6 (six) months of the date of the judgment awarding such damages or costs, provided that:

- (a) there is no appeal outstanding; and
- (b) the damages or costs relate to **Bodily Injury** which would otherwise fall within the Scope of Cover of this Sub-Section of this **Policy**; and
- (c) any payment made by the **Insurer** shall only be in respect of liability for which the **Insured** would have been entitled to indemnity under this Sub-Section of this **Policy** if the judgment had been made against the **Insured**; and
- (d) the **Insurer** shall be entitled to take over and prosecute for its own benefit any claim against any other party and the **Insured**, the **Employee** or the personal representatives of the **Employee** shall give all information and assistance required.

Rights of Recovery Under Sub-Section (1)

The indemnity provided under this Sub-Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to **Employees** in the **United Kingdom**.

However, the **Insured** shall repay to the **Insurer** all sums paid by the **Insurer**, which sums would not have been payable but for such law.

Sub-Section (2) - Public and Products Liability (Including Inefficacy Cover)

Scope of Cover

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy**, to indemnify the **Insured** in respect of **Compensatory Damages** including, but not limited to, **Compensatory Damages** arising out of the **Insured's** failure to carry out the duties it has contracted to perform or caused by deliberate acts, wilful default or neglect by any **Employee** or any servant of the **Insured** happening anywhere within the Geographical Limits of this Sub-Section during the **Policy Period**.

Limit of Indemnity

The **Limit of Indemnity** under this Sub-Section:

- (1) in respect of **Claims** arising from **Products** is the maximum combined amount the **Insurer** will pay in respect of any one **Occurrence** or all **Occurrences** during the **Policy Period** and this amount shall not be increased because more than one **Claim** is made in respect of the **Occurrence** or more than one **Insured** is entitled to indemnity in respect of the **Occurrence**.
- (2) in respect of all other **Claims** is the maximum amount the **Insurer** will pay in respect of any one **Occurrence** and this amount shall not be increased because more than one **Claim** is made in respect of the **Occurrence** or more than one **Insured** is entitled to indemnity in respect of the **Occurrence**.
- (3) **Costs** for both (1) and (2) above will be paid in addition to **Compensatory Damages**.

However, in respect of any **Claim** brought in the United States of America or Canada or any territory within their jurisdiction, the **Limit of Indemnity** is inclusive of **Costs**.

Sub-Section Exclusions

The following Exclusions apply to this Sub-Section. Also refer to the General Policy Exclusions and the General Section Exclusions.

The **Insurer** shall not indemnify the **Insured** under this Sub-Section against liability:

- (1) for the **Excess** in respect of each and every **Occurrence** arising from **Damage to Property** resulting from:

- (a) work in or on mainframe computer suites
- GBP2,500
(two thousand five hundred)
- (b) work involving excavation or underground cabling
- GBP2,500
(two thousand five hundred)

- (c) any other work
- GBP250
(two hundred and fifty)
- (d) or for any higher amount as may be agreed between the **Insurer** and the **Insured** and as endorsed hereon.

- (2) arising from work:

- (a) **Offshore**; or
- (b) **Airside**; or
- (c) on or alongside railway tracks; or
- (d) at any nuclear installation or establishment; or
- (e) at refineries, bulk storage or production premises in the oil, gas or chemical industries; or
- (f) at a height where the drop exceeds 16 (sixteen) metres; or
- (g) at a depth which exceeds 3 (three) metres below the surface of the ground; or

- (3) for **Damage to Property** in the custody or control of the **Insured** or of any **Employee** other than:

- (a) **Property** belonging to any director, **Employee**, or visitor including personal effects, vehicles and their contents, except where:
 - (i) an indemnity is provided under any other insurance; or
 - (ii) in the custody or control of the **Insured** for the purpose of being worked upon; or
- (b) any premises including contents (not being premises owned by the **Insured** or leased or rented to the **Insured**) which are temporarily occupied by the **Insured** for the purpose of carrying out work in or to such premises.

- (4) arising from or caused by work undertaken on the **Insured's** behalf in the course of the **Business** by sub-contractors (other than sub-contractors acting as the **Employees**) unless evidence has been obtained that those sub-contractors have effected Public Liability insurance that:

- (a) covers the work to be undertaken; and
- (b) is subject to a limit of indemnity not less than GBP1,000,000 (one million); and
- (c) includes an Indemnity to Principals Clause; and
- (d) remains in force throughout the duration of the contract between the **Insured** and the **Principal**; and

- (e) includes Products and Inefficacy Liability cover where the whole of a complete installation is sub-contracted.
- (5) arising from the ownership, possession or use under the control of the **Insured** or of any **Employee** of;
- (a) any mechanically propelled vehicle.

However, this part of this Exclusion shall not apply in respect of **Bodily Injury** or **Damage to Property** arising in circumstances where compulsory insurance or security in respect of any such vehicle is not required by relevant road traffic legislation and the **Insured** is not entitled to indemnity under any other insurance or indemnity.

- (b) any aircraft or other aerial devices, hovercraft or watercraft [other than watercraft as described in Sub-Section Extension (19)]
- (6) arising from advice, designs, formulae or specifications provided separately for a fee or under a separate contract.
- (7) arising from or in connection with building work other than non-structural refurbishment, redecoration, alteration, maintenance or repair in connection with the **Business**.
- (8) arising from or caused by the use or application of heat away from premises owned, leased or rented by the **Insured**:
- (a) when using oxyacetylene, electric arc and similar welding and cutting equipment, blow lamps, torches and the like; or
 - (b) when using or applying heat in any other way unless all reasonable precautions are taken to prevent **Damage to Property**.
- (9) caused by or in connection with any **Products** which:
- (a) to the knowledge of the **Insured** are sold, supplied, erected, repaired, altered, treated, or installed by the **Insured** in or for delivery or use in the United States of America or Canada or any territory within their jurisdiction; or
 - (b) are sold, supplied, erected, repaired, altered, treated or installed in or for use in or on any aircraft, aerospace device, hovercraft or waterborne craft or for marine or aviation purposes; or
 - (c) are in the custody or control of the **Insured**.

Geographical Limits to Sub-Section(2)

The Geographical Limits comprise the following:

- (1) The **United Kingdom**; and
- (2) elsewhere in the World other than the United States of America or Canada, or any territory within their jurisdiction;

but only in connection with the **Business** carried on by the **Insured** at or from any premises situated in the **United Kingdom**.

Sub-Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy** (unless expressed to the contrary in this Sub-Section), to provide the following Extensions of cover.

Unless expressed to the contrary the Extensions to this Sub-Section are subject to all other terms of this **Policy** so far as they can apply.

(1) Contingent Liability (Non-Owned Vehicles)

The **Insurer** will indemnify the **Insured** under this Sub-Section in respect of **Compensatory Damages** arising out of the use of any motor vehicle which is neither the property of nor provided by the **Insured** being used in connection with the **Business**.

However, this indemnity shall not apply in respect of:

- (a) **Damage** to any such vehicle or goods carried in or on such vehicle; or
- (b) **Bodily Injury** or **Damage to Property** while such vehicle is being driven by the **Insured**; or
- (c) **Bodily Injury** or **Damage to Property** while such vehicle is being driven with the general consent of the **Insured** or of his representative by any person who to the knowledge of the **Insured** or such representative does not hold a licence to drive such vehicle, unless such person has held and is not disqualified from holding or obtaining such a licence; or
- (d) liability arising from circumstances in which it is compulsory for the **Insured** to insure or provide security in respect of such vehicle as a requirement of relevant road traffic legislation; or
- (e) a vehicle being used outside the **United Kingdom**.

(2) Customers Goods

Notwithstanding Sub-Section Exclusion (3), this Sub-Section extends to include the **Insured's** legal liability for accidental damage to customers' goods, but only whilst removed from customers' premises and in the **Insured's** possession or control.

(3) Defective Premises

The **Insurer** will indemnify the **Insured** under this Sub-Section in respect of **Compensatory Damages** arising in relation to any premises disposed of by the **Insured**.

However, this indemnity shall not apply in respect of **Damage** to or any costs or expenses incurred in repairing, replacing or making any refund in respect of any such premises.

(4) Financial Loss

The **Insurer** will indemnify the **Insured** under this Sub-Section, in respect of its legal liability for any **Claims** for accidental **Financial Loss**, in connection with the **Business**, made in writing to the **Insured** during the **Policy Period** and notified to **TULaC** during the **Policy Period** or within 30 (thirty) days after expiry of the **Policy Period**.

However, this indemnity shall not apply in respect of:

- (a) liability which attaches solely by way of any contract or agreement that would not have attached in the absence of such contract or agreement; or
 - (b) any fine, penalty, liquidated damages, or payment to any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties; or
 - (c) any liability arising from advice, instruction or design:
 - (i) given for a fee unless relating to any **Products** for which indemnity is provided by this **Policy**; or
 - (ii) given without a fee and for which indemnity is provided by another insurance; or
 - (d) any expense incurred in or for the withdrawal, inspection, repair or replacement of **Products**; or
 - (e) liability arising out of or in connection with
 - (i) late or non-delivery of **Products**; or
 - (ii) the reimbursement of the purchase price of any **Products**; or
 - (iii) any delay or failure to complete any work on time; or
 - (iv) any delay or failure to return any **Property** in the custody or under the control of the **Insured**; or
 - (v) strikes, labour disturbances, insolvency, financial default, any act of fraud or dishonesty, deceit, conspiracy, malicious falsehood, inducement of breach of contract, breach of anti-trust laws; or
 - (vi) libel, slander or mis-statement, passing off or infringement of any patent, copyright, design, trade mark, trade name, or of any intellectual property rights; or
 - (vii) breach of trust, breach of warranty of authority or breach of duty owed to shareholders, investors or partners by any director or officer of the **Insured**; or
 - (viii) any agreement to store, process or supply computer data (including supply of information derived from such computer data) for a fee or by reciprocal arrangement; or
 - (ix) **Bodily Injury** or **Damage to Property** which would otherwise be a matter for indemnity under this **Policy**; or
 - (f) liability arising out of an **Occurrence** happening outside the **United Kingdom**; or
 - (g) any claim brought against any party in or under or in consequence of any judgment or order in or under the Laws of the United States of America or Canada or any territory within their jurisdiction; or
 - (h) any claim or circumstances known to the **Insured** prior to the inception of this **Policy** and which the **Insured** knew or should reasonably have assumed might result in a **Claim** being made; or
 - (i) any cause happening prior to:
 - (i) the date that this insurance was first taken out and not any subsequent renewal effective date ("the **Original Inception Date**"); or
 - (ii) if Financial Loss insurance had been taken out prior to the **Original Inception Date** without any break in cover, the date on which such unbroken cover was first taken out; or
- The burden of proving that such insurance was in force shall rest with the **Insured**;
- (j) the first 10% (ten percent) or GBP500 (five hundred) whichever is the greater in respect of each and every **Occurrence** under this Extension.

Limit of Liability

The maximum amount payable by the **Insurer** under this Extension, including all **Costs** and expenses in the aggregate during the **Policy Period** shall not exceed GBP500,000 (five hundred thousand).

(5) Indemnity to Other Parties

At the request of the **Insured**, the **Insurer** will also indemnify, as if they were the **Insured**:

- (a) any of the **Insured's** directors, partners, **Employees** or former **Employees**; and

- (b) any of the **Insured's** officers, members' committees and / or **Employees**, paid and voluntary helpers of:
 - (i) canteen and welfare organisations; or
 - (ii) nursery, crèche or child care facilities; or
 - (iii) sports and social organisations,

in their respective capacities as such; and

- (c) any of the **Insured's** officers and members of:
 - (i) security, rescue, first aid, fire and ambulance services; or
 - (ii) medical organisations other than any doctor, surgeon or dentist while working in a professional capacity in their respective capacities as such; and
- (d) any of the **Insured's** directors, executives, partners or **Employees** in respect of private work undertaken by any of the **Employees** for such persons; and
- (e) any **Principal** or any other party to the extent required by contract; and
- (f) any officers or trustees of the **Insured's** pension scheme(s).

However, the indemnity will not apply to liability arising out of or in connection with any investment decision; and

- (g) any other party not described above for whom the **Insured** wishes to accept responsibility to insure or to provide an indemnity.

However, the indemnity will not apply:

- (i) unless the **Insurer** has the sole conduct and control of any **Claim**; or
- (ii) where the other person is indemnified under any other insurance or in any other way.

Provided that where the **Insurer** agrees to indemnify more than one party, then nothing in this Extension shall increase the **Insurer's** liability to pay any amount in respect of any **Occurrence** in excess of the **Limit of Indemnity**.

(6) Leased or Rented Premises

The **Insurer** will indemnify the **Insured** under this Sub-Section against legal liability for **Damage** to premises or fixtures or fittings thereof which are leased or rented to the **Insured**.

However, this indemnity shall not apply in respect of liability for:

- (a) **Damage** if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of such tenancy, contract or agreement; and

- (b) the first GBP100 (one hundred) of **Damage** when such **Damage** is caused otherwise than by fire or explosion.

(7) Libel Slander or Mis-Statement

Notwithstanding General Section Exclusion (5), the **Insurer** will indemnify the **Insured** in respect of the **Insured's** liability arising from or caused by the publication or utterance by the **Insured** or on the **Insured's** behalf of a libel, slander or mis-statement.

Provided that:

- (a) the **Claim** is first made against the **Insured** within the **United Kingdom** during the **Policy Period**; and
- (b) this Extension shall not apply in respect of:
 - (i) **Claims** which arise out of circumstances notified to previous insurers or known to the **Insured** at inception of this Extension; or
 - (ii) publications or utterances made at the discretion of any party entitled to indemnity by this **Policy** with knowledge of the libellous or slanderous effect thereof; or
 - (iii) **Claims** brought outside the **United Kingdom**; and
- (c) in respect of each and every claim under this Extension the **Excess** will be 10% (ten percent) of the cost of the claim.

(8) Loss of Gas from Fixed Fire Extinguishing Systems

Notwithstanding Sub-Section Exclusion (3) of Sub-Section (2), the **Insurer** will indemnify the **Insured** in respect of sudden, identifiable, unintended and unexpected discharge of gas from fixed fire systems.

Provided that:

- (a) the **Insurer** shall not be liable for the first GBP250 (two hundred and fifty) in respect of any one **Occurrence** under this Extension; and
- (b) the maximum amount payable by the **Insurer** is GBP10,000 (ten thousand) in respect of any one **Occurrence** under this Extension.

(9) Loss of Keys

The **Insurer** will indemnify any customer of the **Insured** under this Sub-Section, in respect of any amounts which become payable as a result of the loss of **Keys**, whilst in the possession of the **Insured**.

Provided that:

- (a) any amounts payable shall be restricted to:
 - (i) the reasonable cost of replacement or alteration of **Keys** and / or locks operated by **Keys**; and

- (ii) the consequential loss suffered by the **Insured's** customer arising either from their inability to gain access to their premises or the misuse of the **Keys** by any person other than an **Employee**; and
 - (iii) the reasonable cost of any additional temporary protection to the affected premises; and
- (b) the **Insurer** shall not be liable for the first 10% (ten percent) or GBP250 (two hundred and fifty) whichever is the greater in respect of the cost of each and every claim under this Extension; and
- (c) the maximum amount payable by the **Insurer** under this Extension in the aggregate during the **Policy Period** shall not exceed GBP75,000 (seventy five thousand).

(10) Misuse of Customers' Phones

The **Insurer** will, at the written request of the **Insured**, indemnify any customer of the **Insured** under this Sub-Section against the loss of money for which the **Insured** has no legal liability, arising out of any unauthorised use of customers' telephones by any **Employee**, committed during the **Policy Period** and discovered no later than 30 (thirty) days after the **Occurrence** or the termination of employment of the suspected **Employee**, whichever shall occur first.

Provided that:

- (a) the **Insurer** shall not be liable for the first GBP500 (five hundred) in respect of each and every claim under this Extension; and
- (b) the maximum amounts payable by the **Insurer** under this Extension are as follows:
 - (i) GBP5,000 (five thousand) in respect of the acts of any one **Employee**, regardless of the period during which the acts were committed; and
 - (ii) GBP5,000 (five thousand) in respect of any one **Occurrence**. Not more than one claim in respect of any one **Employee** shall be paid; and
- (c) the **Insured** must at all times take reasonable care to ensure that suitable and competent persons are employed; and
- (d) the **Insured** and the **Insurer** shall share in any set-off or any recovery made on account of any loss in the proportion that the amount of the loss borne by each bears to the total amount of the loss.
- (e) the **Insured** shall co-operate with the **Insurer** in seeking reimbursement from any **Employee** any sum paid or payable.

(11) Obstruction and Physical Loss of Amenities etc

The **Insurer** will indemnify the **Insured** under this Sub-Section against liability in respect of accidental obstruction physical loss of amenities trespass, nuisance or interference with any right of way, light, air, or water.

(12) Overseas Personal Liability

The **Insurer** will indemnify the **Insured** under this Sub-Section and, at the request of the **Insured**, any director, partner or **Employee** or any spouse or any child of any such person against liability arising from **Bodily Injury** or **Damage to Property** arising from personal activities whilst temporarily outside the **United Kingdom** in connection with the **Business**.

However, this indemnity shall not apply in respect of any liability:

- (a) arising out of the ownership or occupation of land or buildings; or
- (b) in respect of **Pollution** occurring anywhere in the United States of America or Canada or any territory within their jurisdiction; or
- (c) arising from the ownership, possession, or use under the control of the **Insured** or of any party seeking indemnity under this Extension of any mechanically propelled vehicle, trailer, aircraft, or other aerial devices, hovercraft, or watercraft of any size; or
- (d) in respect of which there is any other insurance or indemnity in favour of any party seeking indemnity under this Extension.

Provided that:

- (i) such persons are ordinarily resident in the **United Kingdom**; and
- (ii) such persons shall observe, fulfil, and be subject to the terms of this **Policy** so far as they can apply; and
- (iii) nothing in this Extension shall increase the liability of the **Insurer** to pay any amount in excess of the **Limit of Indemnity**.

(13) Products and Defective Workmanship

Notwithstanding Sub-Section Exclusion (3), this Sub-Section extends to include the **Insured's** legal liability for costs of rectifying defective work or defective **Products** where such work or **Products** have caused:

- (i) **Bodily Injury** to any person other than an **Employee**; or
- (ii) **Damage to Property** other than **Products** which are the subject of the same contract.

Provided that the maximum amount payable by the **Insurer** is GBP1,000,000 (one million) in respect of any one **Occurrence** under this Extension.

(14) USA and Canada Public Liability

The **Insurer** will indemnify the **Insured** under this Sub-Section against liability in respect of **Bodily Injury** or **Damage to Property** caused directly by directors or non-manual **Employees** and occurring during and in the course of business visits to the United States of America or Canada or any territory within their jurisdiction.

Provided that:

- (a) such directors and non-manual **Employees** are ordinarily resident in the **United Kingdom**; and
- (b) the **Insurer** shall not indemnify the **Insured** under this Extension against liability in respect of **Pollution**.

(15) Watercraft

Notwithstanding Sub-Section Exclusion (5)(b) of Sub-Section (2), the **Insurer** will indemnify the **Insured** against liability arising from or caused by the use, in the course of the **Business**, of:

- (a) motor barges not exceeding 75 (seventy-five) ton capacity on inland waterways; and
- (b) motor launches not exceeding 10 (ten) metres in length on inland waterways; and
- (c) any watercraft not belonging to or chartered by the **Insured**, but used by the **Insured** for **Business** entertainment.

Provided that:

- (i) such watercraft is primarily owned and operated as a river cruise vessel; and
- (ii) such watercraft is insured by the owner or charterer under a marine insurance policy; and
- (iii) the **Insurer** shall not indemnify the **Insured** in respect of liability which attaches by way of any contract or agreement, that would not have attached in the absence of such contract or agreement.

(16) Wrongful Arrest

The **Insurer** will indemnify the **Insured** under this Sub-Section against all sums which the **Insured** shall become legally liable to pay as damages in respect of **Wrongful Arrest** committed or alleged to have been committed by the **Insured**, or any person employed by or on behalf of the **Insured**, during the currency of this **Policy** and arising out of the **Business**.

However, this indemnity shall not apply in respect of any liability to persons other than those the subject of **Wrongful Arrest**.

General Extensions to Sub-Sections (1) and (2)

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy**, unless expressed to the contrary in Sub-Section (1) or (2), to provide the following Extensions of cover:

(1) Contractual Liability and Indemnity to Principal

Notwithstanding the provisions of General Section Exclusion (1) of this Section, the **Insurer** will indemnify the **Insured** under Sub-Sections (1) and (2) of this Section against liability in respect of **Bodily Injury** or **Damage to Property** as set out below.

To the extent that any contract or agreement entered into by the **Insured** with any **Principal** so requires, the **Insurer** will indemnify the **Insured** against liability assumed by the **Insured** and the **Principal** in like manner to the **Insured** in respect of the liability of the **Principal** where liability arises out of the performance by the **Insured** of such contract or agreement.

Provided that:

- (a) the conduct and control of **Claims** is vested in the **Insurer**; and
- (b) the **Principal** shall observe, fulfil, and be subject to the terms of this **Policy** so far as they can apply; and
- (c) the indemnity shall not apply in respect of liquidated damages or under any penalty clause; and
- (d) the indemnity granted under Sub-Section (1) of this **Policy** shall only apply in respect of liability to any person who is an **Employee**; and
- (e) where indemnity is granted to any **Principal**, the **Insurer** will treat each **Principal** and the **Insured** as though a separate **Policy** had been issued to each of them; and
- (f) nothing in this Extension shall increase the liability of the **Insurer** to pay any amount in excess of the **Limit of Indemnity**.

(2) Court Attendance Compensation

If, at the request of the **Insurer**, any of the undermentioned persons attend court as a witness in connection with a **Claim** in respect of which the **Insured** is entitled to indemnity under this Section, the **Insurer** will provide compensation to the **Insured** at the following rates per day, for each day on which attendance of the witness is required:

- (a) any **Employee** (excluding directors) GBP500 (five hundred);

- (b) any director or partner of the **Insured** GBP750 (seven hundred and fifty).

(3) Cross Liabilities

If the **Insured** comprises more than one party, the **Insurer** will treat each party as though a separate **Policy** had been issued to each of them.

However, nothing in this Extension shall increase the liability of the **Insurer** to pay any amount in excess of the **Limit of Indemnity**.

(4) Prosecution Defence Costs

(A) Arising under the Corporate Manslaughter and Corporate Homicide Act 2007

The **Insurer** will indemnify the **Insured** against reasonable prosecution defence costs and expenses incurred with the written consent of the **Insurer**, solely for the conduct of the defence of the **Insured** resulting from a prosecution of an alleged offence under the Corporate Manslaughter and Corporate Homicide Act 2007 (including an appeal against conviction).

Provided always that:

- (a) notice of any prosecution under the Act is received by the **Insured** during the **Policy Period**; and
- (b) the said alleged offence concerns breach of a relevant duty of care in the course of the **Business**; and
- (c) the circumstances of the said alleged offence may be the subject of indemnity under this Section; and
- (d) the **Insurer** shall not be liable for the payment of any fine or penalty.

Limit of Liability

The limit of the **Insurer's** liability under this Extension is GBP1,000,000 (one million) which amount is included within and not additional to the **Limit of Indemnity** and is the maximum amount the **Insurer** will pay in respect of any one prosecution regardless of the number of **Insureds** entitled to indemnity in respect of the prosecution.

(B) Other Prosecution Defence Costs

The **Insurer** will indemnify the **Insured** against:

- (a) reasonable prosecution defence costs and expenses incurred with the written consent of the **Insurer**; and
- (b) prosecution defence costs and expenses awarded against the **Insured** or any director or **Employee**,

solely for the conduct of the defence of the **Insured** resulting from a prosecution (including an appeal

against conviction) of an alleged offence arising under any statute or other relevant law in the **United Kingdom** giving rise to a relevant duty of care in the course of the **Business**.

Provided always that:

- (i) notice of any prosecution is received by the **Insured** during the **Policy Period**; and
- (ii) the circumstances of the said alleged offence may be the subject of indemnity under this Section; and
- (iii) the **Insurer** shall not be liable for any prosecution defence costs and expenses arising under the Corporate Manslaughter and Corporate Homicide Act 2007; and
- (iv) the **Insurer** shall not be liable for the payment of any fine or penalty; and
- (v) the **Insurer** shall not be liable where the prosecution results from a deliberate management decision, act, or omission of management.

(5) Sudden and Unintended Pollution

Notwithstanding the provisions of General Section Exclusion (4) (e) of this Section, the **Insurer** will indemnify the **Insured** under Sub-Section (2), against legal liability in respect of **Bodily Injury** or **Damage to Property** caused solely by **Pollution**, which results from a sudden, identifiable, unintended and unexpected incident and such incident takes place in its entirety at a specific and identified time and place during the **Policy Period**.

Provided that:

- (a) all **Pollution**, which arises out of any one incident shall be deemed to have occurred at the time such incident takes place; and
- (b) the **Insurer** shall not indemnify the **Insured** under this Extension against any liability in respect of **Pollution** happening anywhere in the United States of America or Canada or any territory within their jurisdiction; and
- (c) nothing in this Extension shall increase the liability of the **Insurer** to pay any amount in excess of the **Limit of Indemnity**.

In addition, the **Insurer** will indemnify the **Insured** against legal liability for **Clean Up Costs**.

However, the indemnity provided by this Extension shall not:

- (i) include **Clean Up Costs** in or on any site, watercourse or body of water owned, leased or rented by the **Insured**; or

- (ii) include the cost of reinstatement or reintroduction of flora or fauna; or
 - (iii) override any provisos already applying to this Extension; or
 - (iv) cover the costs incurred by the **Insured** or for which they become legally liable to pay in order to curtail or minimise **Pollution** once it has occurred, except that, this Extension shall indemnify the **Insured** in respect of costs for which the **Insured** is legally liable in accordance with the requirements of the Environmental Damage (Prevention and Remediation) Regulations 2009 or any superseding or replacing legislation or regulation.
- (4) under Sub-Section (2):
 - (a) in respect of **Bodily Injury** to any **Employee** which arises out of and in the course of their employment or engagement by the **Insured**; or
 - (b) for any consequence of **War**; or
 - (c) in respect of **Damage to Products**; or
 - (d) for any costs or expenses incurred in repairing, replacing, recalling, or making any refund in respect of **Products**; or
 - (e) in respect of **Pollution**.

General Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions and the Sub-Section Exclusions.

The **Insurer** shall not indemnify the **Insured** under this Section against any liability:

- (1) which is assumed by the **Insured** by agreement, unless such liability would have attached in the absence of such agreement; or
 - (2) of whatsoever nature, directly or indirectly caused by or contributed to, by, or arising from:
 - (a) the actual or alleged emission, release, or escape of electromagnetic radiation; or
 - (b) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
 - (c) the radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- However, so far as **Bodily Injury** to any **Employee** which arises out of, and in the course of, his employment or engagement by the **Insured**, this Exclusion shall only apply in respect of:
- (i) liability of any **Principal**; and
 - (ii) liability assumed by the **Insured** by agreement which would not have attached in the absence of such agreement.
- (3) for:
 - (a) punitive, exemplary, aggravated or restitutionary damages; or
 - (b) multiplied damages, but this Exclusion shall not apply in respect of the original award of damages made prior to the application of the multiplier; or
 - (c) any fine or penalty.
- (5) arising out of libel, slander, defamation of character, deceit or injurious falsehood, discrimination, harassment or advertising injury.
 - (6) other than for the minimum sum under Sub-Section (1), deemed to be in accordance with such provisions as any law relating to the compulsory insurance of liability to **Employees** in the **United Kingdom** may require, in respect of **Bodily Injury** caused other than by external bodily injury or **Damage to Property** arising in whole or in part, either directly or indirectly out of polychlorinatedbyphenyls or asbestos whether it be:
 - (a) airborne as a liquid, gas, or fibre, or carried or transmitted on clothing or by any other means; or
 - (b) contained in, or forming part of, any building material, cooling or insulative material.
 - (7) other than for the minimum sum under Sub-Section (1), deemed to be in accordance with such provisions as any law relating to the compulsory insurance of liability to **Employees** in the **United Kingdom** may require in respect of:
 - (a) **Bodily Injury** or **Damage to Property** that in whole or in part arises directly or indirectly out of **Terrorism** or any action taken to prevent or address actual or expected **Terrorism**; or
 - (b) any loss, cost, or expense arising out of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or disposing of, or in any way assessing or responding to the effects of toxic, infectious, or radioactive matter, distributed, generated, or released as a direct or indirect result of any **Terrorism**.
- This Exclusion applies regardless of any other cause or event that contributed concurrently, or in any sequence, to such **Bodily Injury** or **Damage**, loss, cost, or expense.
- Paragraph (a) above of this Exclusion does not apply to **Bodily Injury** or **Damage to Property** caused while assisting emergency rescue operations following the conclusion of the **Terrorism**.

Optional Extensions to Section A

The following Extensions are operative only when shown as such in the **Schedule** and unless expressed to the contrary are subject to all other terms of this **Policy** so far as they can apply.

Optional Extension 1 - Exports to the United States of America or Canada

Notwithstanding Sub-Section Exclusion (9) and the **Geographical Limits** stated in Sub-Section (2), the **Insurer** will indemnify the **Insured** in respect of liability for accidental **Bodily Injury** or **Damage to Property** occurring in the United States of America or Canada or any territory within their jurisdiction and caused by **Products** supplied by the **Insured**.

Provided that:

- (1) the **Insurer** shall not indemnify the **Insured**, or any other party, incorporated, domiciled or resident in the United States of America or Canada or any territory within their jurisdiction; and
- (2) the **Insurer** shall not be liable for the first GBP5,000 (five thousand) in respect of the cost of each and every **Occurrence** giving rise to **Damage to Property**.

Optional Extension 2 - Loss of Gas from Fixed Fire Extinguishing Systems

The maximum amount payable by the **Insurer** under Extension (8) of Sub-Section (2) is increased from GBP10,000 (ten thousand) to GBP20,000 (twenty thousand) in respect of any one **Occurrence** under Extension (8) of Sub-Section (2).

Provided that the **Insurer** shall not be liable for the first GBP250 (two hundred and fifty) in respect of the cost of each and every claim under Extension (8) of Sub-Section (2).

Optional Extension 3 - Use of Heat Away From Premises Conditions

It is agreed that Sub-Section Exclusion (8) of Sub-Section (2) is deleted.

It is a condition precedent to indemnification under this **Policy** that when welding or flame-cutting equipment, blow lamps, blow torches, or hot air guns ("the **Equipment**") are used by the **Insured** or any **Employee** away from premises owned, leased or rented by the **Insured**, the **Insured** shall ensure:

(1) that before using the Equipment:

- (a) a suitable person is appointed to be responsible for fire safety and for ensuring that fire precautions are taken; and
- (b) such person shall obtain permission from a person acting for the occupier of the site, to use the **Equipment** and shall arrange for the required fire extinguishing appliances to be available at the site; and

- (c) every person on site where the **Equipment** is to be used, shall be made aware of the location of fire alarms and fire fighting equipment; and
- (d) the area in which work is to be carried out must be adequately cleared of all combustible material to a distance of not less than 6 (six) metres; and
- (e) immovable combustible materials, floor and other structures within or near to the area of operations must be protected by the use of blankets or screens of incombustible material; and
- (f) if heat is to be applied to any wall or partition, or to any material built into or passing through a wall or partition, an inspection must be made of the other side prior to commencing work, in order to ensure that no combustible materials are in danger of ignition by direct or conducted heat; and
- (g) there shall be available for immediate use near to the area of operations, a 2 (two) gallon fire extinguisher, or in circumstances where the use of water would be dangerous, a multi-purpose dry powder extinguisher with a minimum capacity of 5lbs; and
- (h) nearby hydrants and hoses, if present, must be connected up in readiness for immediate use and tested prior to commencement of operations; and

(2) that during use of the Equipment:

- (a) the **Equipment** shall be operated only by a person trained or experienced in its use; and
- (b) a responsible person shall act as a fire watcher alongside the person operating the **Equipment**; and
- (c) the **Equipment** is lit for as short a time as possible before use and extinguished after use and not left unattended whilst alight; and
- (d) changes of gas or fuel cylinders or canisters are made in the open; and

(3) that after using the Equipment:

- (a) a thorough examination must be made of the area in which the hot work has been undertaken, including the other side of walls or partitions immediately after the termination of each period of work; and
- (b) further checks should be made at half hourly intervals for a further 2 (two) hours, or if the site is to be vacated, a final check no less than half an hour after the termination of the last period of hot work; and
- (c) any security personnel remaining on, or coming onto, the site is made aware of the areas in which hot work has been carried out.

Section B – Contract Works

Section Definitions

[Please also refer to the General Policy Definitions at the front of this **Policy**]

Business Hours

The **Insured's** normal daily working hours but extended to 24 (twenty-four) hours each day during which **Employees** are assigned call out duty and / or attendance at an emergency call out other than during normal office hours.

Contract

Any contract or agreement that the **Insured** enters into to perform work in accordance with the **Business** where the **Original Contract Price** does not exceed the amount of the **Sum Insured** in respect of **Property Insured Item (1) Contract Works** stated in the **Schedule**.

Contract Site

A site within the **United Kingdom** at which the **Insured** is carrying out work under a **Contract**.

Employer

Any company, partnership, public authority or individual for whom the **Insured** has agreed to carry out work under the terms of a **Contract**.

Original Contract Price

The valuation of the **Contract Works** to be carried out or the contract price at the commencement date of the **Contract** or **Contract Works**.

Period of Maintenance

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

Property Insured

- (1) **Contract Works**
- (2) **Own Plant and Equipment**
- (3) **Hired in Plant and Equipment**
- (4) **Employees Personal Effects and Tools**

as further defined below and only when used in connection with the **Business** and shown as being insured in the **Schedule**:

(1) Contract Works

property forming part of the permanent or temporary works, completed, or in the course of completion, in the performance of the **Contract** and materials or other goods supplied for incorporation into the works, but not including property more specifically insured while:

- (a) on or adjacent to the **Contract Site**; or
- (b) in transit to or from the **Contract Site**, other than by sea or air; or

- (c) temporarily stored away from the **Contract site**, including storage at the **Insured's** premises but only if consigned for use in a specific **Contract** and the **Insured** is responsible under the **Contract** conditions for the **Damage**.

However, this category of property excludes non-ferrous metals having a value in excess of GBP10,000 (ten thousand).

(2) Own Plant and Equipment

Constructional plant, tools and equipment, temporary buildings, caravans and their contents while anywhere within the **United Kingdom** including whilst in transit, other than by sea or air (transit includes plant driven under its own power).

However, this shall not include:

- (a) insurance of any item of constructional plant having a replacement value in excess of GBP100,000 (one hundred thousand); or
- (b) property supplied to the **Insured** under the terms of a hiring agreement.

(3) Hired-in Plant and Equipment

Constructional plant, tools and equipment, temporary buildings and caravans supplied to the **Insured**, for which the **Insured** is legally responsible under the terms of a hiring agreement no more onerous than the Contractors Plant Association, the Scottish Plant Operators Association or the Hire Association Europe conditions, while anywhere within the **United Kingdom**, including while in transit, other than by sea or air (transit includes plant driven under its own power).

However, this shall not include insurance of any item of constructional plant having a replacement value in excess of GBP100,000 (one hundred thousand).

(4) Employees' Personal Effects and Tools

Personal effects and tools belonging to any **Employee**, or for which such **Employee** is responsible, while on or adjacent to the **Contract Site** but limited to GBP1,500 (one thousand five hundred) per **Employee** and within which sum the maximum for any one mobile telephone is limited to GBP500 (five hundred) unless a higher amount is agreed by the **Insurer** in writing.

Reinstatement

The carrying out of the following work:

- (1) Where **Property Insured** suffers total **Damage**, the rebuilding of the **Property Insured** if a building or, in the case of other **Property Insured**, its replacement by similar property, in either case to a condition equal to but not better or more extensive than, its condition when new.

- (2) Where **Property Insured** suffers partial **Damage**, the repair of the **Damage** and the restoration of the damaged portion of the **Property Insured** to a condition substantially the same as, but not better or more extensive than, its condition when new.

Insuring Clause

In respect of **Damage** to the **Property Insured** during the **Policy Period**, the **Insurer** will pay, at its option, the costs of repair, the costs of **Reinstatement** or replacement or a cash lump sum to the **Insured** against such **Damage**.

The maximum liability of the **Insurer** shall be the relevant **Sum Insured**.

Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of the **Policy**, to extend cover to the **Insured** in respect of the following. These Section Extensions do not increase the **Sum Insured**, or the **Insurer's** maximum payment to the **Insured**, unless stated otherwise.

(1) Additional Interests in the Contract Works

To the extent required by the terms of the **Contract**, the **Insurer** shall include the interest as joint **Insured** of:

- (a) any **Employer**; and
- (b) other parties.

However, the **Insured** must declare to the **Insurer** the names of those parties immediately following a claim for **Damage**.

(2) Architects', Surveyors' and Other Fees in Reinstatement

This section extends to cover:

- (a) architects', surveyors' and consulting engineers' fees; and
- (b) other fees,

necessarily incurred in the **Reinstatement** following **Damage** to the **Property Insured**.

However, the **Insurer** shall not pay for:

- (i) amounts that exceed the scale of fees authorised by the relevant professional bodies; or
- (ii) fees for preparing a claim under this Section; or
- (iii) any amount that exceeds 15% (fifteen percent) of the **Sum Insured**.

(3) Compensation Payment in the Event of Total Loss

In the event of a total loss to the **Property Insured**, within an anticipated 4 (four) weeks of completion of

the works, the **Insurer** will pay to the **Insured** a sum of GBP500 (five hundred).

(4) Consecutive Damage

For the purpose of applying any **Excess, Damage** to the **Property Insured** caused by subsidence, collapse, earthquake, flood, storm, tempest or the escape of water during one period of 72 (seventy-two) consecutive hours, for which a claim is made and accepted under this Section, will be treated as a single claim under this **Policy**.

(5) Continuing Plant Hire Charges

This Section extends to cover the **Insured's** legal liability to pay continuing hire charges while **Hired in Plant and Equipment** is out of commission following:

- (a) **Damage** to such plant, but only if:
 - (i) the **Insured** has made a claim, under this Section for the **Damage**; and
 - (ii) the **Insurer** has accepted the claim, or would have but for the amount of the **Excess**; or
- (b) **Breakdown** of such plant because of the **Insured's** neglect or mis-use.

However, the **Insurer** shall not pay for:

- (i) hire charges for the first 2 (two) full working days the plant is out of use or the amount of the **Excess**, whichever is the greater; or
- (ii) continuing hire charges exceeding a period of 90 (ninety) days (after the expiry of the first 2 working days); or
- (iii) continuing hire charges for tower cranes; or
- (iv) any amount exceeding a Limit of Indemnity of GBP100,000 (one hundred thousand).

(6) Debris Removal

This Section extends to cover expenses which are necessary for:

- (a) removing debris from; and
- (b) cleaning or repairing of drains or sewers of; and
- (c) dismantling or demolishing of; and
- (d) shoring up, or propping or fencing of;

any portion of the **Property Insured** which has suffered **Damage**.

However, the **Insurer** shall not pay for any costs or expenses:

- (i) incurred in removing debris except from the

site of the **Damage** and the area immediately adjacent to it; or

- (ii) arising from **Pollution** of property not insured by this Section; or
- (iii) exceeding 10% (ten percent) of the **Sum Insured** applying to the category of **Property Insured**.

(7) Employees' Personal Effects and Tools Away from Contract Site

This Section extends to cover **Damage** to **Employees' Personal Effects and Tools**, while away from the **Contract Site**.

However, the **Insurer** shall not pay for:

- (a) **Damage** caused by theft or attempted theft from an open-top or soft-top motor vehicle; or
- (b) **Damage** caused by theft or attempted theft from a hard-top motor vehicle:
 - (i) outside **Business Hours** unless parked in a securely locked building or garage; or
 - (ii) left unattended, unless all doors, windows and other means of entry are closed, locked and all keys have been removed to a place of safety; or
- (c) **Damage** recoverable under any other insurance or in any other way; or
- (d) any amount exceeding GBP1,500 (one thousand five hundred) per **Employee**.

(8) Escalation of Contract Price

The **Sum Insured** for the relevant **Contract Works** is automatically increased by the amount of a price increase of a **Contract** during the **Policy Period**.

However, the amount of the increase will be limited to 25% (twenty five percent) of the **Sum Insured**.

(9) Free Issue Materials

The **Contract Works** includes all free issue materials for which the **Insured** is responsible, supplied by or on behalf of the **Employer** named in the **Contract**.

However, for this Extension to apply, the value of the materials must be included within the **Sum Insured** applicable to the **Contract Works** and also the figures supplied for any Premium Adjustment Condition.

(10) Immobilised Plant

If constructional plant or equipment becomes unintentionally immobilised on the **Contract Site**, then the **Insurer** will pay the costs necessarily incurred in its recovery or withdrawal.

However, the **Insurer** shall not pay costs if the recovery or withdrawal is necessary solely due to

Breakdown, other than when the **Breakdown** is due to the negligence of the **Insured** or an **Employee**.

(11) Increased Cost of Working

This Section extends to include the increased cost in working by way of overtime and special deliveries necessarily and reasonably incurred to:

- (a) minimise or prevent further **Damage**; or
 - (b) to reinstate **Damage**;
- so as to avoid penalty.

Provided that the **Insurer**:

- (i) has accepted a claim for **Damage**, under this Section or would but for the application of the **Excess**; and
- (ii) shall not be liable to pay any amount in excess of 50% (fifty percent) of the claim for the **Damage** under this Section, before deducting the **Excess**.

(12) Local Authority Reinstatement Requirements

This Section extends to cover the additional costs of **Reinstatement**:

- (a) of damaged buildings; and
- (b) in respect of undamaged portions of damaged buildings,

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

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

However, the **Insurer** shall not pay for:

- (i) any cost or expense incurred in respect of **Damage** not insured by this Section; or
- (ii) additional costs incurred solely to comply with building or other regulations if relevant notice had been served upon the **Insured** before the **Damage** occurred; or
- (iii) any rate, tax, duty, development or other charge or assessment arising out of capital

appreciation, which may be payable in respect of the property or by the property owner under the legislation, directive(s) or bye-laws; or

(iv) any amount that exceeds the **Sum Insured**.

(13) Negligent Breakdown of Hired-In Plant

This Section extends to cover **Damage to Hired in Plant and Equipment** for which the **Insured** is responsible under any plant hire conditions arising from any **Breakdown** of the **Hired in Plant and Equipment** due to the negligence of the **Insured** or of any **Employee**.

(14) Plans Drawings Specifications and Documents

This Section extends to cover **Damage** to plans, drawings, specifications and documents within the **United Kingdom** (except on the site of a **Contract** not insured by this Section).

However, the **Insurer** shall not pay for:

- (i) the value to the **Insured** of the information contained in such documents and payment is limited to the value of the materials as stationery and the cost of clerical labour involved in their reproduction; or
- (ii) any amount in excess of GBP25,000 (twenty five thousand) in the aggregate during the **Policy Period**.

(15) Reinstatement of the Sum Insured

The **Sum Insured** is reduced by the value of the claim under this Section each time such a claim is made.

The **Insurer** will reinstate the **Sum Insured**.

However, the **Insured** must:

- (a) agree to pay any reasonable additional premium; and
- (b) take immediate steps to carry out any changes to the protection of the **Property Insured** that the **Insurer** requires.

The **Insurer's** agreement to reinstate the **Sum Insured** may be cancelled by the **Insured** or **Insurer** on written notice.

(16) Replacement of Locks for Constructional Plant

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

- (a) from a locked cabinet or locked safe at the **Insured's** premises, the **Insured's** home or the home of any **Employee** authorised by the **Insured** to safeguard the keys; or
- (b) by theft following a hold-up while the keys are

in the **Insured's** personal custody or that of any **Employee** authorised by the **Insured**.

However, the **Insurer** shall not pay for any amount exceeding GBP1,000 (one thousand) in respect of any one claim under this **Policy**.

(17) Water services location

The **Insurer** will pay the costs necessarily and reasonably incurred with the **Insurer's** consent in:

- (a) locating the source of any escape of water from any fixed water services that has caused **Damage** to the **Property Insured**; and
- (b) in completing repairs to the parts of a building damaged as a direct result of the location work.

However, the **Insurer** shall not pay for:

- (i) the cost of repairs to any fixed water services; or
- (ii) any amount in excess of GBP25,000 (twenty five thousand) in the aggregate during the **Policy Period**; or
- (iii) the amount of the **Excess**.

Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions.

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

(1) Damage caused by changes in the water table level.

However, the **Insurer** will pay for subsequent **Damage** from any cause which is not otherwise excluded; or

(2) Damage to the **Contract Works**:

- (a) for which a certificate of completion has been issued; or
- (b) which occurs after completion and handover to the **Employer**; or
- (c) which occurs while the **Contract Works** are being used or occupied by the **Employer**;

unless the **Damage** occurs:

- (i) during the **Period of Maintenance**, but was caused before commencement of the **Period of Maintenance**; or
- (ii) while the **Insured** is carrying out its obligations under the **Contract** during the **Period of Maintenance**; or
- (iii) within 14 (fourteen) days of the issue of a certificate of completion, but only to the

extent that the **Insured** is responsible under the conditions of the **Contract**; or

- (3) liquidated damages, fines or penalties for delay or detention in connection with any guarantees of performance or efficiency; or
- (4) consequential loss of any kind, except as specifically provided under Section Extension (11) – Increased Cost of Working; or
- (5) **Damage** arising from or caused by the **Insured's** deliberate act or deliberate neglect; or
- (6) **Damage** to and the cost necessary to replace, repair, or rectify **Property Insured**:
 - (a) which is in a defective condition due to a defect in design, plan, specification, materials or workmanship of such **Property Insured** or any part thereof; or
 - (b) damaged to enable the replacement, repair or rectification of **Property Insured** excluded by (a) above.

Exclusion (a) above shall not apply to other **Property Insured** which is free of the defective condition but is damaged in consequence thereof.

For the purposes of the **Policy** and not merely this Exclusion the **Property Insured** shall not be regarded as damaged solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in the **Property Insured** or any part thereof; or

- (7) **Damage** by disappearance or shortage that is discovered only during stocktaking or when an inventory is made, unless **Damage** can be traced to a specific event in respect of which a claim has already been notified to the **Insurer**; or
- (8) costs relating to normal upkeep and normal making good; or
- (9) **Pollution** except **Damage to Property Insured** caused by:
 - (a) **Pollution** which itself results from a **Defined Peril**; or
 - (b) a **Defined Peril** which itself results from **Pollution**; or

(10) **Damage** to:

- (a) aircraft, hovercraft or watercraft (except hand-propelled watercraft); or
- (b) buildings, other structures, their contents or other property existing at the start of the **Contract**, but this will not apply to property

covered under Section Extension (9) - Free Issue Materials; or

- (c) plant, machinery, tools or equipment due to its own explosion or **Breakdown** including but not limited to overrunning, overheating or short circuiting, except as specifically provided under Section Extension (13) – Negligent breakdown of Hired-In Plant; or
 - (d) any mechanically propelled motor vehicle, or its attached trailer, which is licensed for road use and for which insurance or security is required under road traffic law, other than a vehicle used primarily at contract sites and not designed for the carriage of passengers or plant; or
 - (e) **Money**; or
 - (f) deeds, manuscripts or documents of any kind except as specifically provided under Section Extension (14) - Plans, Drawings, Specifications and Documents; or
 - (g) property for which the **Insured** are relieved of responsibility by the conditions of the **Contract**; or
 - (h) property more specifically insured under any other policy of insurance or under Section D - All Risks of Loss of or Damage to Property; or
- (11) **Damage** caused by theft or any attempted theft to the following unattended property:
- (a) Non Ferrous Metals (other than aluminium) unless within a locked building, or a locked container, or locked portacabin or similar; or
 - (b) constructional plant unless locked at all points of access and immobilised or sited within a locked building or locked compound, and all keys are removed to a place of safety; or
 - (c) other property valued at GBP5,000 (five thousand) or more within a motor vehicle, unless the motor vehicle is locked at all points of access and protected by an immobiliser or alarm approved by the **Insurer** which has been put into operation; or
 - (d) other property valued below GBP5,000 (five thousand) within a motor vehicle unless the motor vehicle is locked at all points of access; or
 - (e) other property while on the **Contract Site** after work has ceased for the day, unless within a locked building, locked container, locked portacabin, locked compound or fully enclosed boundary fence; or

(12) Damage arising from or caused by:

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

(13) any work which involves:

- (a) operations in, under or over:
 - (i) rivers, canals, lakes, reservoirs or dams; or
 - (ii) tidal waters or coastal defence work; or
- (b) operations within 10 (ten) metres of:
 - (i) rivers, canals, lakes, reservoirs or dams; or
 - (ii) tidal waters or coastal defence work;to the nearest point of the **Contract Site** perimeter; or
- (c) rail work other than work on platforms, stations, depots and premises which are not considered close enough by rail or light operators to involve any special track or safety precautions; or
- (d) work at a depth in excess of 10 (ten) metres or any reduced depth limit specified in any Section of this **Policy**; or
- (e) work with a construction period in excess of 3 (three) years.

Section C – Professional Indemnity

This Section of the **Policy** is on a claims made basis. It applies only to **Claims** first made against the **Insured** and notified to **TULaC** during the **Policy Period**, unless stated otherwise.

Section Definitions

[Please also refer to the General Policy Definitions at the front of this **Policy**]

Claim

A demand made on, or an assertion of any right against the **Insured**, including but not limited to a civil, regulatory, mediation, administrative or arbitration proceeding, including any counter-claim.

Costs and Expenses

Costs and expenses:

- (1) recoverable at law by any claimant from the **Insured**;
or
- (2) incurred by the **Insurer** or by the **Insured** with the **Insurer's** consent; or
- (3) incurred in providing legal representation at any coroner's inquest or other inquiry following any death;
or
- (4) incurred in proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty,

arising in connection with any error, act or omission in respect of which a claim is or may be made under this Section.

Compensatory Damages

Damages, judgments or settlements entered into with the written consent of the **Insurer**, which the **Insured** becomes legally liable to pay.

Electronic Business Equipment and Computers

Printers, photocopiers, facsimile machines, telecommunications systems, computer equipment, personal computers, word processing equipment, lap top computers, computer aided design equipment, keyboards, visual display units, desk top publishing equipment, graphic design equipment, electronic imaging equipment and data carrying materials comprising all current and back-up computer programs and information contained on magnetic or optical discs and magnetic tapes.

Specified Professional Activities

The supply or performance by the **Insured** as a professional of any:

- (1) design, plan or specification;
- (2) supervision of installation or construction;
- (3) feasibility study;
- (4) technical information calculation;
- (5) surveying;
- (6) consultancy;

- (7) testing;
- (8) professional services specified as **Business**, undertaken only by or under the direction and direct control of a properly qualified person.

A properly qualified person will mean personnel with appropriate professional qualifications or not less than 5 (five) years' relevant experience for the specific professional activities in which they are engaged.

It does not include the supervision by the **Insured** of the **Insured's** own or the **Insured's** Sub-Contractors' work, where the **Insured's** supervision is undertaken solely in the **Insured's** capacity as a building or engineering contractor.

Insuring Clause

The **Insurer** will pay **Compensatory Damages** and **Costs and Expenses** up to the **Limit of Indemnity**, for any **Claim** first made against the **Insured** during the **Policy Period** and notified to the **Insurer** in accordance with the terms of this **Policy**:

- (1) in respect of liability caused by the negligence:
 - (a) of the **Insured** in the conduct and the carrying out of the **Specified Professional Activities**; or
 - (b) of the **Insured** in the conduct and the carrying out of the **Specified Professional Activities** arising from any negligence committed or alleged to have been committed by any consultant, sub-contractor or agent for whose acts, errors or omissions the **Insured** is legally liable; or
- (2) in respect of libel or slander by the **Insured** in the conduct and the carrying out of the **Specified Professional Activities**,

occurring anywhere in the world except the United States of America or Canada or any territory within their jurisdiction and in connection with the **Business**.

Limit of Indemnity

The **Limit of Indemnity** shall be:

- (1) inclusive of all **Costs and Expenses**; and
- (2) the maximum amount payable by the **Insurer** in the aggregate during the **Policy Period**.

Excess

The **Excess** applicable to this Section shall be GBP2,500 (two thousand five hundred) each and every **Claim**.

Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy** (unless expressed to the contrary in this Section), to provide the following Extensions of cover. For the avoidance of doubt, these Section Extensions do not increase the **Limit of Indemnity** or the **Insurer's** maximum liability under this **Policy**.

The **Insurer** will indemnify the **Insured** in respect of:

(1) Dishonesty of Employees

Compensatory Damages and **Costs and Expenses** that the **Insured** becomes legally liable to pay as a result of any **Claim** made against the **Insured** during the **Policy Period** contributed to, or brought about by, any dishonest, fraudulent, criminal or malicious act or omission of an **Employee**.

For the purposes of this Extension, the term **Employee** shall not include any director.

(2) Infringement of Copyright, Patent or Registered Design

Compensatory Damages and **Costs and Expenses** that the **Insured** becomes legally liable to pay as a result of any **Claim** made against the **Insured** during the **Policy Period**, alleging infringement of copyright, patent or registered design committed in good faith by:

(a) the **Insured**; or

(b) any **Employee**,

in connection with the **Business**.

(3) Loss of Documents

Compensatory Damages and **Costs and Expenses** that the **Insured** becomes legally liable to pay as a result of the loss of any documents necessary for the carrying out of any **Specified Professional Activities**, whether owned by the **Insured** or entrusted to the **Insured**, which are, or are supposed or are believed to be, in the:

(a) possession of the **Insured**; or

(b) possession of any other party with whom the documents have been entrusted, lodged or deposited by the **Insured** within the **United Kingdom**,

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

The **Insurer** shall also pay the expenses incurred by the **Insured** with the **Insurer's** written consent, in replacing or restoring the documents.

However, the **Insurer** will not indemnify the **Insured**:

(i) unless the claim for expenses is supported by bills or accounts approved by the **Insurer**; or

(ii) if any claim under this Extension is brought about by, or contributed to, the **Insured's** dishonesty or that of a partner or **Employee**; or

(iii) for any amount in excess of GBP100,000 (one hundred thousand) in total for all claims under this Extension during the **Policy Period**; or

(iv) the first amount of GBP250 (two hundred and fifty) in respect of each and every claim under this Extension; or

(v) where cover is also available under Extension (14) of Section B – Contract Works.

(4) Mitigation of a loss

Expenses necessarily incurred by the **Insured** in respect of any action taken to mitigate a loss or a potential loss that otherwise would result in a claim under this Section.

However, the burden of proving a claim under this Extension shall be upon the **Insured**, and the **Insured** must give the **Insurer** written notice during the **Policy Period** of the **Insured's** intention to take action that will incur the expenses.

(5) Compensation for Court Attendance

Compensation to the **Insured**, with the **Insurer's** prior written consent, in the event that the legal advisers acting on the **Insured's** behalf require the **Insured**, an **Employee** or any other relevant party (not including expert witnesses), to attend court or any arbitration or adjudication hearing as a witness of fact, in connection with a **Claim** made against the **Insured** for which cover is afforded under this Section, at the following rates for each day or part thereof on which attendance is required:

(a) any **Employee** (excluding directors)
GBP500 (five hundred)

(b) any director or partner
GBP750 (seven hundred and fifty)

(c) any other relevant party
GBP250 (two hundred and fifty)

Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions.

The **Insurer** shall not indemnify the **Insured** under this Section against liability arising out of, based upon or attributable to any:

(1) Dishonest, Malicious Insured, Criminal or Deliberate Illegal Acts

dishonest, malicious, criminal, deliberate or illegal acts committed by the **Insured** or illegal acts or omissions committed by others on the **Insured's** behalf except as provided for in Section Extension (1).

(2) Employee Bodily Injury

Bodily Injury, emotional distress or mental anguish suffered by any **Employee**.

(3) Estimates of Construction

Insured's negligence, in connection with the estimates of construction costs, unless the estimates are compiled by professionally qualified quantity surveyors.

(4) Excess being the amount the Insured must pay per Claim
GBP2,500 (two thousand five hundred) in respect of each and every **Claim** for **Compensatory Damages, Costs and Expenses**.

(5) Express Warranty or Guarantees and Contractual Liability

warranty or guarantee, whether directly or indirectly, or in any way involving contractual liability in respect of any:

- (a) fitness for purpose warranty; or
- (b) indemnity, performance warranty or guarantee; or
- (c) penalty clause or liquidated damages clause,

but only to the extent that such contractual liability is greater than the liability which would otherwise have arisen in the absence of the relevant contractual provisions referred to in (a), (b) and (c) above.

(6) Assignees of Collateral Warranty

Claim brought or maintained by or on behalf of any assignee (other than the first three assignees of collateral warranties) of the benefit of any collateral warranty or duty of care agreement, entered into by the **Insured** in favour of any party other than the **Insured's** own client.

(7) Insolvency

insolvency of the **Insured**.

(8) Insurance, Finance or Financial Advice

negligence of the **Insured** in connection with the:

- (a) effecting or maintenance of insurance; or
- (b) provision of finance or advice on financial matters.

(9) Known Circumstances Claim:

- (a) made, threatened or intimated against the **Insured** prior to the **Policy Period**; and
- (b) directly or indirectly arising out of, based upon, attributable to or in any way involving any fact or circumstance:
 - (i) of which notice has been given, or ought reasonably to have been given, under any previous policy (whether insured by the **Insurer** or not); or
 - (ii) of which the **Insured** first became aware prior to the **Policy Period** and which the **Insured** knew or ought reasonably to have known had the potential to give rise to a **Claim**.

(10) North American Jurisdiction

arising out of, based upon, attributable to or in connection with:

- (a) any **Claim** brought in; or
- (b) activities or operations undertaken in the United States of America or Canada or any territory within their jurisdiction.

(11) Property Ownership, Use, Occupation or Leasing

ownership, use, occupation or leasing of property, whether mobile or immobile, by the **Insured** or on the **Insured's** behalf.

(12) Retroactive Date – Negligence Before the Date Claim

made against the **Insured**, arising out of, based upon or attributable to any negligent acts or omissions which occurred before the retroactive date specified in the **Schedule** or any Endorsement comprising part of this **Policy** and relating to this Section.

(13) Asbestos

consequence of, or related to the manufacture of, mining of, processing of, the use of, installation of, storage of, removal of, disposal of, distribution of, inspection of, or testing of, or exposure to, asbestos, asbestos fibres, asbestos dust or asbestos containing materials, whether directly or indirectly.

(14) E-Commerce

- (a) loss, alteration or impairment of, or damage to, information and / or data in electronic form; or
- (b) malicious acts of any person carried out by electronic means; or
- (c) defamation or harassment carried out by electronic means.

However, this Exclusion shall not apply in respect of liability for any:

- (i) ensuing accidental **Bodily Injury** (other than psychiatric injury or psychiatric illness); or
- (ii) ensuing accidental physical **Damage**; or
- (iii) loss, alteration or impairment of, or damage to, information and / or data in electronic form arising solely from accidental physical **Damage** to **Electronic Business Equipment and Computers**.

(15) Hazardous Activities

work undertaken on, or in, the following:

- (a) **Offshore**; or
- (b) **Airside**; or
- (c) any nuclear installation or establishment; or

(d) refineries, bulk storage or production premises in the oil, gas or chemical industries; or

(e) on or alongside railway tracks,

whether directly or indirectly.

(16) Sub-Contractors Insurance Check

professional work, as defined by **Specified Professional Activities**, undertaken on the **Insured's** behalf, in the course of the **Business**, by sub-contractors or consultants, unless the **Insured** has obtained evidence that all such sub-contractors or consultants hold and maintain their own professional indemnity insurance that has a minimum limit of indemnity of not less than:

(a) GBP100,000 (one hundred thousand); or

(b) the **Limit of Indemnity** or any other part of this **Policy** and relating to this Section, if greater than GBP100,000 (one hundred thousand), but less than GBP1,000,000 (one million); but

(c) no greater than GBP1,000,000 (one million) if the **Limit of Indemnity** so specified in (b) above is greater than GBP1,000,000 (one million),

which will be the maximum the **Insurer** will pay in respect of liability as described in this sub-clause.

Section D – All Risks of Loss of or Damage to Property

Section Definitions

[Please also refer to the General Policy Definitions at the front of this **Policy**]

Intruder Alarm System

The component parts detailed in the alarm specification and the lines of communication used to transmit signals.

Property Insured:

1. **Buildings**
2. **Outbuildings**
3. **Fixed Glass**
4. **General Contents**
5. **All Other Contents**
6. **Electronic Business Equipment and Computers**
7. **Portable Electronic Business Equipment**
8. **Portable Tools**
9. **Stock**

(1) Buildings

- (a) Buildings forming part of the **Premises** incorporating permanent foundations below ground level; and
- (b) landlord's fixtures and fittings therein and thereon; and
- (c) Extensions, annexes, conveniences and external hoists, gangways and staircases; and
- (d) walls, gates, hedges and fences around and pertaining thereto; and
- (e) security lighting, security cameras and other security or fire protection devices, affixed signs, television, radio, satellite receiving aerials, communication aerials, their fittings and masts affixed to the buildings, and fixed poles or fixed pylons; and
- (f) instruments, meters, piping, cabling and the like and the accessories thereon extending from the buildings to the perimeter of the **Premises** or to the public mains (including those underground) for the supply of telephone, gas, water and electricity utilities to the **Premises**; and
- (g) underground storage tanks.

(2) Outbuildings

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

(3) Fixed Glass

- (a) Internal and external glass of normal glazing quality, or as may otherwise be specified under any Building Regulations which may apply, for which the **Insured** is responsible, or for which they may deem themselves responsible for an amount not exceeding the cost of replacement; and
- (b) sanitary ware and wash basins.

(4) General Contents

Machinery, plant and **All Other Contents** therein and thereon the property of the **Insured** and held by them in trust for which they are responsible, excluding landlord's fixtures and fittings, **Electronic Business Equipment and Computers, Portable Electronic Business Equipment, Portable Tools, Stock** and **Property** more specifically insured.

(5) All Other Contents

- (a) Tenants' improvements including structural alterations, decorations and fixtures for which the **Insured** is responsible; and
- (b) (i) documents, manuscripts, and business books but only for the value of materials as stationery, together with

(ii) the cost of clerical labour expended in writing up, and not for the value to the **Insured** of the information contained therein

up to a maximum limit of GBP10,000 (ten thousand); and
- (c) computer systems records, but only for the value of the materials and the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein), and not for the value to the **Insured** of the information contained therein up to a maximum limit of GBP50,000 (fifty thousand); and
- (d) cigarettes, cigars, tobacco, wines and spirits up to a maximum limit of GBP500 (five hundred) and so far as the same are not otherwise insured; and
- (e) patterns, models, moulds, plans and designs; and
- (f) directors', partners', **Employees'** and visitors' pedal cycles, and other personal effects including personal **Money** up to GBP1,000 (one thousand) in respect of any one person.

(6) Electronic Business Equipment and Computers

Printers, photocopiers, facsimile machines, telecommunications systems, computer equipment, personal computers, word processing equipment, lap top computers, tablets, computer aided design equipment, keyboards, visual display units, desk top publishing equipment, graphic design equipment,

electronic imaging equipment and data carrying materials comprising all current and back-up computer programs and information contained on magnetic or optical discs and magnetic tapes the property of the **Insured** or for which the **Insured** is responsible.

(7) Portable Electronic Business Equipment

Lap top computers, electronic note pads, tablets, modems, mobile phones, pagers, dictating machines, satellite navigation systems and calculators used in connection with the **Business**, the property of the **Insured** or any **Employee** or for which the **Insured** or any **Employee** is responsible.

(8) Portable Tools

Portable tools used in connection with the **Business**, the property of the **Insured** or any **Employee**.

(9) Stock

Stock and materials in trade including work in progress, the property of the **Insured** or held in trust or on commission, for which the **Insured** is responsible.

Unoccupied

Unoccupied, untenanted or no longer in active use.

Insuring Clause

If accidental **Damage** occurs during the **Policy Period** to **Property Insured** other than by an Excluded Cause or to Excluded Property, the **Insurer** will pay to the **Insured** the value of such **Property Insured** at the time of the accidental **Damage**, or at the **Insurer's** option, reinstate or replace such **Property Insured** or any part thereof provided that the liability of the **Insurer** under this Section shall not exceed:

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

Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions.

Excess

The **Insurer** shall not be liable for the **Excess**, which will apply in respect of each and every **Occurrence**.

However, the **Excess** shall not apply to claims under this Section as a result of:

- (1) accidental **Damage** caused to **Money**, clothing or personal effects; or
- (2) payment made under Extension (27) - Replacement of Locks.

Excluded Causes

The **Insurer** shall not be liable under this **Policy** for:

(1) Adverse Weather

Damage caused by wind rain, hail, sleet, snow, flood or dust to moveable **Property Insured** in the open or in open sided **Buildings** or contained in **Outbuildings**, hedges, fences and gates; or

(2) Application of Heat

Damage to **Property Insured** by fire resulting from its undergoing any process involving the application of heat; or

(3) Building Own Collapse

Damage in respect of **Buildings** or structures caused by their own collapse or cracking, unless such **Damage** results from a **Defined Peril** and is not otherwise excluded; or

(4) Cessation of Work

Damage resulting from cessation of work; or

(5) Computer Damage

Damage to **Electronic Business Equipment and Computers** caused by the:

(a) erasure or distortion of information on **Electronic Business Equipment and Computers** or other records:

(i) whilst mounted in, or on, any machine or data processing apparatus; or

(ii) due to the presence of a magnetic flux,

unless caused by accidental **Damage** not being the result of an Excluded Cause in respect of the machine or apparatus in which the records are mounted; or

(b) introduction of programming that causes or is intended to cause:

(i) the erasure, destruction, corruption or distortion of or to; or

(ii) unauthorised access to,

Electronic Business Equipment and Computers and records stored in or on them; or

(6) Consequential Loss

delay, loss of market, loss of use, consequential loss or other consequential loss of any kind; or

(7) Corrosion

Damage caused by:

(a) corrosion, rust, wet or dry rot, fungi, microbes or any other biological growth, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects; or

- (b) change in temperature or extremes of temperature, change in colour, flavour, texture or finish; or
- (c) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels, or any range of steam and feed piping in connection therewith.

However, this shall not exclude:

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

(8) Fixed Glass
Damage to Fixed Glass:

- (a) caused by alterations to the framework or position of any of the glass or to neon and illuminated signs and electric light fittings or to sanitary earthenware; or
- (b) caused by settlement or expansion or contraction of frames or fittings in **Buildings** under construction and during a period of 6 (six) months after the date of completion of the **Buildings** resulting from removal, alteration or repairs undertaken on or about the **Premises**; or

(9) Fraud and Dishonesty

Damage caused by acts of fraud or dishonesty on the part of the **Insured** or any partner, director or **Employee**, members of their families or any other person to whom the **Property Insured** has been entrusted.

However, this shall not exclude collusion by any **Employee** not being a partner or director of the **Insured**, where theft or attempted theft involves forcible and violent entry to or exit from the **Buildings** at the **Premises**; or

(10) Mechanical and Electrical Breakdown

accidental **Damage** caused by **Breakdown** or overloading in respect of the particular machine, apparatus or equipment in which such **Breakdown** or overloading originates.

However, this shall not exclude:

- (a) accidental **Damage** to surrounding **Property** not forming part of the same machine apparatus or equipment; or

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

(11) Operational Damage
Damage caused by:

- (a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level or its own faulty or defective design or materials; or
- (b) faulty or defective workmanship, operational error or omission on the part of the **Insured** or any **Employee**; or
- (c) the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturer's instructions or specification; or
- (d) explosion occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **Insured**.

However, this shall not exclude subsequent accidental **Damage** which itself results from a cause not being an Excluded Cause or otherwise excluded under this Section; or

(12) Parting of Possession
Damage resulting from:

- (a) the voluntary parting with title or possession of any property or rights to property; or
- (b) confiscation, requisition, seizure or destruction by order of the Government or any public authority; or

(13) Pollution
Damage caused by **Pollution**.

However, this shall not exclude such accidental **Damage** caused by;

- (a) a **Defined Peril**; or
- (b) a **Defined Peril** which itself results from **Pollution**, unless resulting from an Excluded Cause or otherwise excluded; or

(14) Processes and Production
Damage (other than by fire) to **Property Insured** resulting from its:

- (a) undergoing any process of production; or

- (b) undergoing any process of packing, treatment, testing, commissioning, cleaning, servicing, repair, renovation or any other process.

However, this shall not exclude accidental **Damage** to surrounding property not forming part of the same:

- (i) machine; or
- (ii) process of production; or
- (iii) process of packing, treatment, testing, commissioning, cleaning, servicing, repair or other process; or

(15) Solidification

Damage caused by the solidification of molten material, unless such **Damage** results from a **Defined Peril** and is not otherwise excluded; or

(16) Subsidence

Damage to any **Property Insured**, fore-courts, car parks, and driveways caused by:

- (a) subsidence, ground heave or landslip; or
- (b) the normal settlement or bedding down of new structures; or
- (c) coastal or river erosion; or
- (d) defective design or workmanship or the use of defective materials including inadequate construction of foundations; or
- (e) settlement or movement of made-up ground; or
- (f) demolition, construction, structural alteration, or repair of any property or groundwork or excavation at the **Premises**; or

(17) Theft or Attempted Theft

Damage caused by theft or attempted theft:

- (a) unless involving forcible and violent entry to or exit from **Buildings** at the **Premises**; or
- (b) unless involving assault or violence or threat of assault or violence to the **Insured** or any partner, director or **Employee** or members of their families or any other person lawfully on the **Premises**; or
- (c) from yards, gardens, open spaces or **Outbuildings** unless the **Contents** thereof are specifically insured by this Section.

However, this shall not apply to:

- (i) property defined in part (d) of the **Buildings** definition; or

- (ii) cover provided by Section Extensions (13), (16), (19) and (27); or

(18) Unexplained Disappearance

Damage caused by unexplained disappearance or inventory shortage, misfiling or misplacing of information; or

(19) Unoccupied Buildings

Damage caused by:

- (a) the escape of water from any tank, apparatus or pipe; or
- (b) freezing; or
- (c) theft or attempted theft; or
- (d) by malicious persons not acting on behalf of or in connection with any political organisation (other than by fire or explosion);

in respect of any **Unoccupied Buildings**.

Excluded Property

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

- (1) (a) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books; or
- (b) **Money** except as provided for in Extension (19).

However, this shall not exclude accidental **Damage** caused by a **Defined Peril** and not otherwise excluded; or

- (2) (a) property in transit except as provided for in:
 - (i) Extension (16) – Goods in Transit; or
 - (ii) Extension (30) – Temporary Removal; or
- (b) vehicles licensed for road use (including accessories thereon) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft; or
- (c) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection; or
- (d) working dynamos, motors, wires, main or electrical apparatus through short circuiting, overrunning, or excessive pressure; or
- (e) land, roads, pavements, piers, jetties, bridges, culverts or excavations; or
- (f) livestock, growing crops or trees, unless specifically mentioned as insured by this Section; or

- (3) property which at the time of the happening of **Damage** is insured by or would but for the existence of this Section 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; or
- (4) any property more specifically insured by or on behalf of the **Insured**.

Basis of Claims Settlement

(1) Indemnity

In respect of accidental **Damage** to **Stock** or personal effects, the amount payable shall be the value of the **Property Insured** at the time of its loss or the amount of the accidental **Damage** or at the **Insurer's** option, the reinstatement or replacement of such property or any part of it.

(2) Reinstatement

In respect of accidental **Damage** to **Property Insured** other than **Stock** or personal effects, the following Basis shall apply:

The amount payable shall be the cost of the **Reinstatement** of the property suffering from the accidental **Damage**.

For this purpose **Reinstatement** means:

- (a) the rebuilding or replacement of property suffering from the accidental **Damage** which, provided the liability of the **Insurer** is not increased, may be carried out:
 - (i) in any manner suitable to the requirements of the **Insured**; or
 - (ii) upon another site; or
- (b) the repair or restoration of property;

in either case to a condition equivalent to, or substantially the same as, but not better or more extensive than, its condition when new.

Provided that:

- (1) the liability of the **Insurer** for the repair or restoration of property suffering from the accidental **Damage** in part only, shall not exceed the amount which would have been payable had such property been wholly lost; and
- (2) each item insured is declared to be separately subject to the following Condition of Average (Underinsurance):

If at the time of **Reinstatement** the sum representing 85% (eighty five percent) of the cost which would have been incurred in reinstating the whole of the property covered by any item subject

to this Basis exceeds its **Sum Insured**, the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said **Sum Insured** shall bear to the sum representing the total cost of reinstating the whole of such property at that time; and

- (3) no payment beyond the amount which would have been payable in the absence of this Basis shall be made:
 - (a) unless **Reinstatement** commences and proceeds without unreasonable delay; and
 - (b) until the cost of **Reinstatement** shall have been actually incurred; and
 - (c) if the **Property Insured** at the time of its accidental **Damage** shall be insured by any other insurance effected by or on behalf of the **Insured** which is not upon the same basis; and
- (4) all the terms and conditions of this Section shall apply:
 - (a) in respect of any claim payable under the provisions of this Basis except insofar as they are varied hereby; and
 - (b) where claims are payable as if this Basis had not been incorporated including any Condition of Average (Underinsurance).

(3) Day One Reinstatement Clause (Non-adjustable)

The **Sums Insured** under this Basis will be shown in an endorsement attaching to this **Policy** and relating to this Section. Each such **Sum Insured** will be marked "DV".

Declared Value shall mean the **Insured's** assessment of the cost of reinstatement of the **Property Insured**, arrived at in accordance with paragraph (a) of Basis of Claims Settlement (2) Reinstatement, at the level of costs applying at the inception of the **Policy Period** (ignoring inflationary factors which may operate subsequently), together with in so far as the insurance by the item provides, due allowance for costs in respect of:

- (i) European Union legislation and Public Authorities; and
 - (ii) architects, surveyors, legal and other fees; and
 - (iii) Debris Removal - other than **Stock**.
- (a) The **Insured** having stated in writing the **Declared Value** for each Item to which this Clause applies, the premium has been calculated accordingly.

- (b) At the inception of each **Policy Period**, the **Insured** shall notify the **Insurer** of the **Declared Value** of the **Property Insured** by each of the said Items.

In the absence of such declaration, the last amount declared by the **Insured** shall be taken as the **Declared Value** for the ensuing **Policy Period**.

Provided that:

- (i) the liability of the **Insurer** for the repair or restoration of property damaged in part only, shall not exceed the amount which would have been payable had such property been wholly lost; and
- (ii) each Item insured is declared to be separately subject to the following Condition of Average (Underinsurance):

If at the time of accidental **Damage**, the **Declared Value** of the property covered by such Item is less than the cost of reinstatement as used in this Clause at the inception of the **Policy Period**, then the **Insurer's** liability for any accidental **Damage** shall be limited to that proportion which the **Declared Value** bears to the cost of reinstatement; and

- (iii) no payment beyond the amount which would have been payable in the absence of this Basis shall be made:

- (a) unless reinstatement as used in this Clause commences and proceeds without unreasonable delay; and
- (b) until the cost of reinstatement as used in this Clause shall have been actually incurred; and
- (c) if the **Property Insured** at the time of its accidental **Damage** shall be insured by any other insurance effected by or on behalf of the **Insured** which is not upon the same Basis; and

- (iv) all the terms and Conditions of this Section shall apply:

- (a) in respect of any claim payable under the provisions of this Basis except insofar as they are varied hereby; and
- (b) where claims are payable as if this Basis had not been incorporated including any Condition of Average (Underinsurance) except that the **Sums Insured** shall be limited to 100% (one hundred percent) of the **Declared Values**.

Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy** (unless expressed to the contrary in this Section) to provide the following Extensions of cover. For the avoidance of doubt, these Section Extensions do not increase any **Sum Insured** or any **Limit of Indemnity**, or the **Insurer's** maximum liability under this **Policy**. The **Insurer** shall indemnify the **Insured** in respect of the following Extensions:

(1) Architects', Surveyors', Legal and Other Professional Fees

The insurance by each Item in **Buildings** and **General Contents** includes an amount in respect of architects', surveyors', legal and other professional fees necessarily incurred in the reinstatement of the **Property Insured**, consequent upon accidental **Damage** thereto, but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such accidental **Damage**, and that the liability for such accidental **Damage** and fees shall not exceed, in the aggregate, the **Sum Insured** of each such Item.

(2) Automatic Reinstatement

In the absence of written notice by the **Insurer** or the **Insured** to the contrary, any **Sums Insured** under this Section shall not be reduced by the amount of loss and in return the **Insured** undertakes to pay the appropriate extra premium, at a rate to be agreed, on the amount of the loss from the date thereof.

(3) Breakdown of Electronic Business Equipment and Computers

The insurance under this Section extends to include accidental **Damage** to any item of **Electronic Business Equipment and Computers** as a result of its **Breakdown** at the **Premises**.

In the event of **Breakdown** of any item of **Electronic Business Equipment and Computers**, the **Insurer** will pay the full cost of repair or replacement to a condition equal to, but not better than, its condition when new.

The **Insurer's** maximum liability shall not exceed GBP25,000 (twenty five thousand) any one claim and GBP50,000 (fifty thousand) in the aggregate during the **Policy Period**.

The insurance provided by this Extension is subject to the **Insured** effecting and keeping in force a maintenance contract in respect of all **Electronic Business Equipment and Computers** with the manufacturer of the items, or a reputable electronic engineer to service the items at least once every 12 (twelve) months.

(4) Capital Additions

The insurance under each Item on **Buildings** and **General Contents** extends to include:

- (a) alterations, additions and / or improvements to the **Property Insured** (but no appreciation in value thereof); and
- (b) newly acquired and / or newly occupied **Buildings** provided they are not otherwise insured, anywhere in the **United Kingdom**.

Provided that:

- (a) at any one **Premises** this cover shall not exceed 10% (ten percent) of the **Sum Insured** under the relevant Item or GBP500,000 (five hundred thousand) in the aggregate, whichever is the less.
- (b) the **Insured** shall advise the **Insurer**:
 - (i) as soon as practicable in respect of any such alterations, additions and improvements; and
 - (ii) as soon as practicable and in any event within 90 (ninety) days, of any such newly acquired and / or newly occupied **Buildings**;

The **Insured** will pay the appropriate additional premium required from inception of such additional cover, and amounts so declared shall be added by endorsement to the **Sum Insured** of the relative Item, whereupon these provisions shall be fully reinstated.

(5) Contract Price

In respect only of goods sold but not delivered for which the **Insured** is responsible subject to a sale contract which, following accidental **Damage**, is cancelled by reason of its condition wholly, or to the extent of the accidental **Damage**, the liability of the **Insurer** will be based on the contract price.

For the purpose of this Section the value of all goods to which this Section Extension could apply in the event of accidental **Damage** shall also be ascertained on this basis.

(6) Customers Goods

The insurance by this Section extends to include accidental **Damage** to customers' property for which the **Insured** has agreed to accept responsibility.

Provided that all such property:

- (a) shall be included in the **Sum Insured** in respect of **Stock**; and
- (b) is not more specifically insured elsewhere.

(7) Damage to Surfaces

The insurance by this Section is extended to include the costs of restoration of the surfaces of car parks, yards, roadways, landscaped gardens and similar surfaces adjacent to the **Property Insured** for which

the **Insured** is responsible, arising out of accidental **Damage** to the **Property Insured** as insured by this section.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) in respect of any one **Occurrence**.

(8) Debris Removal

It is understood that the insurance of each Item of this Section extends to include costs and expenses necessarily incurred by the **Insured** with the consent of the **Insurer** in:

- (a) removing debris; or
- (b) dismantling and / or demolition; or
- (c) shoring up or propping,

of the portion or portions of the **Property Insured** by the said Items following accidental **Damage**.

The liability of the **Insurer** under this Extension and this Section in respect of any Item shall in no case exceed the **Sum Insured** hereby.

The **Insurer** shall not indemnify the **Insured** for any costs or expenses:

- (i) incurred in removing debris except from the **Premises** where accidental **Damage** occurred and the area immediately adjacent thereto; or
- (ii) arising from **Pollution** of property not insured by this Section.

(9) Designation

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

(10) Drain Clearance

The insurance by each Item on **Buildings** and / or **General Contents** extends to include costs and expenses necessarily incurred in cleaning drains, sewers and gutters the property of the **Insured** or for which they are responsible following accidental **Damage** insured under this Section.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) in respect of any one **Occurrence**.

(11) Electronic Business Equipment and Computers

The insurance by this Section extends to include accidental **Damage** to **Electronic Business Equipment and Computers** whilst at the **Premises**, provided that the **Insurer's** maximum liability under this Extension shall not exceed GBP5,000 (five thousand) in respect of any one **Occurrence**.

(12) European Union and Public Authorities including Undamaged Property and Sprinklers

The insurance of each Item on **Buildings** or **General Contents** extends to include:

- (a) the additional costs of reinstating the **Property Insured** including any undamaged portions necessary to comply with any:
 - (i) European Union legislation; or
 - (ii) Act of Parliament; or
 - (iii) bye-laws of any public authority; and
- (b) where the **Insurer** requires that the **Insured** complies with current LPC Rules for Automatic Sprinkler Installations, the additional cost of reinstating water supply equipment which:
 - (i) conformed to previous 28th Edition LPC Rules; or
 - (ii) conforms with current 29th Edition LPC Rules,

when installed but fails to conform to subsequent amendments to those rules.

The **Insurer** shall not be liable for:

- (a) costs incurred:
 - (i) in respect of accidental **Damage** not insured by this Section; or
 - (ii) where notice was served on the **Insured** before the accidental **Damage** occurred; or
 - (iii) where an existing requirement must be completed within a stipulated period; or
 - (iv) in respect of any **Buildings** or **General Contents** therein which have not suffered accidental **Damage** insured by this Section; or
- (b) any charge or assessment arising from capital appreciation following compliance with any legislation or bye-law.

The reinstatement of the **Property Insured**:

- (a) must begin and be carried out as quickly as possible; and
- (b) may be carried out on another site and in a manner suitable to the needs of the **Insured** but this must not increase the liability of the **Insurer**.

If the **Insurer's** liability under this Section is reduced by the application of any terms or Conditions of this **Policy**, the **Insurer's** liability under this Extension will be similarly reduced.

The maximum the **Insurer** will pay under this Extension in respect of:

- (a) **Property Insured** which has suffered accidental **Damage** is the **Sum Insured**; and
- (b) undamaged portions of the **Property Insured** other than foundations but including water supply equipment, is 15% (fifteen percent) of the amount the **Insurer** would have been liable to pay if the **Property Insured** by the Item at the **Premises** where the accidental **Damage** occurred, had been completely destroyed.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) in respect of any one **Occurrence**.

(13) Exhibitions, Trade Fairs or Trade Shows

The insurance by this Section is extended to include **Property Insured** whilst at any exhibitions, trade fairs or trade shows within the European Economic Area including transit to and from such exhibitions, trade fairs and trade shows by road, rail or inland waterway.

However, the **Insurer** shall not pay for **Damage**:

- (a) in respect of mobile communication equipment whilst left unattended; or
- (b) in respect of watches, tobacco, cigarettes, alcoholic beverages, documents, radios and pictures; or
- (c) caused by theft or pilferage by any **Employee**; or
- (d) resulting directly from defective packing, faulty assembly or dismantling; or
- (e) recoverable under any other insurance or in any other way; or
- (f) caused by theft or attempted theft of property, unless involving entry to or exit from a building by violent and forcible means or by robbery or attempted robbery; or
- (g) caused by theft, malicious persons or storm, to property carried onboard any soft-top or open-top vehicle; or
- (h) caused by theft between 06.00 hours and 21.00 hours from any hard covered vehicle owned or operated by the **Insured** or in their custody or control, whilst left unattended, unless the vehicle shall have all points of access and windows securely locked and fastened, any immobilisation devices and alarms operative and all keys have been removed to a place of safety; or

- (i) caused by theft occurring when the vehicle is left unattended between 21.00 hours and 06.00 hours, unless it is housed in a securely locked building or guarded security park, has all points of access and windows securely locked and fastened, any immobilisation devices and alarms operative and all keys have been removed to a place of safety.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) in respect of any one **Occurrence**.

(14) Fire Fighting Expenses

The insurance by this Section will reimburse the **Insured** for the cost of refilling, recharging and / or replacing any fire extinguishing appliances and / or equipment including sprinkler heads following accidental **Damage**, and Fire Brigade charges and other extinguishing expenses for which the **Insured** may be assessed for an amount not exceeding GBP25,000 (twenty five thousand) any one **Occurrence**.

(15) Glass

The insurance by this Section extends to include:

- (a) accidental breakage of all **Fixed Glass** and resulting **Damage** to window and door frames together with the necessary costs of boarding up prior to replacement of damaged glass; and
- (b) accidental **Damage** to neon and illuminated signs and electric light fittings; and
- (c) accidental **Damage** by impact or falling glass to:
 - (i) the framework and fittings of the ground floor frontage; and
 - (ii) goods on display in windows.

The **Insurer's** maximum liability under this Extension shall not exceed GBP5,000 (five thousand) any one **Occurrence**.

(16) Goods in Transit

The insurance by this Section extends to include accidental **Damage** to:

- (a) **Stock** whilst in transit by road or rail anywhere within the **United Kingdom** including loading and unloading or whilst temporarily housed during transit whether on or off the vehicle.

Provided that:

- (i) the **Insurer's** maximum liability shall not exceed GBP10,000 (ten thousand) in respect of all goods sent at one time, in one load, from one address, to one destination; and

- (ii) the **Insurer** may, at its option, indemnify, reinstate or replace the **Stock**; and

- (b) sheets, ropes, chains, toggles, and packing materials; and
- (c) the **Insured's** or **Employees'** personal effects whilst in transit, provided that the **Insurer's** maximum liability in respect of any one **Occurrence** does not exceed GBP1,500 (one thousand five hundred).

The **Insurer** will also indemnify the **Insured** against expenses reasonably incurred with its written consent in respect of:

- (a) the transfer to another vehicle, of goods being carried consequent upon collision or overturning of the conveying vehicle, and the continued carriage to the original destination or place of collection; and
- (b) reloading onto another vehicle any part of the goods being carried which have fallen from the original vehicle; and
- (c) the removal of debris and site clearance following accidental **Damage**.

The **Insurer** shall not be liable in respect of:

- (i) **Damage** arising as a result of packing, which was inadequate to withstand normal handling during transit; or
- (ii) **Damage** caused by theft, malicious persons or storm to property carried onboard any soft-top or open-top vehicle; or
- (iii) **Damage** caused by theft between 06.00 hours and 21.00 hours from any hard covered vehicle, owned or operated by the **Insured**, or in their custody or control whilst left unattended, unless the vehicle shall have all points of access and windows securely locked and fastened, any immobilisation devices and alarms operative, and all keys have been removed to a place of safety; or

- (iv) **Damage** caused by theft occurring when the vehicle is left unattended between 21.00 hours and 06.00 hours, unless it is housed in a securely locked building or guarded security park, has all points of access and windows securely locked and fastened, any immobilisation devices and alarms operative and all keys have been removed to a place of safety.

(17) Inadvertent Omission to Insure

The insurance by this Section is extended to include accidental **Damage** to any property inadvertently omitted from the **Schedule** which, but for such omission, would constitute **Property Insured**, provided that:

- (a) the **Insured** has notified the **Insurer** of its intention to insure all property in which it is interested and believes all such property to be insured; and
- (b) such cover will commence from the inception of the **Insured's** interest in the property subject to payment of the required premium; and
- (c) the **Insured** will declare full details of the property to the **Insurer** as soon as the **Insured** is aware of any such omission.

The **Insurer's** maximum liability under this Extension is limited to GBP500,000 (five hundred thousand) during the **Policy Period**.

(18) Loss of Metered Water or Gas

The insurance by this Section is extended to include loss of metered water or gas arising from accidental **Damage** resulting in a charge which the **Insured** is unable to recover from any other party.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) in respect of any one **Occurrence**.

(19) Money and Personal Accident Assault

Extension Definitions

For the purpose of this Extension only, the following words or terms are specifically defined and will be shown in bold:

Physical Injury

Bodily injury whether fatal or otherwise (including multiple injuries sustained in one incident) caused solely and directly by violent external and visible means but not including sickness, illness, disease or psychiatric illness.

Insured Person

Any partner, director or **Employee** between the ages of 18 and 70.

Permanent Total Disablement

Disablement which totally prevents an **Insured Person** from working in their usual occupation for the **Insured** which in all probability will continue for the remainder of their natural life.

Temporary Total Disablement

Temporary disablement which entirely prevents the **Insured Person** from engaging in or attending to his or her usual occupation.

The insurance by this Section extends to include:

- (a) loss of **Money** belonging to the **Insured** for an amount not exceeding the limits shown below; and
- (b) compensation in accordance with the scale of benefits below for **Physical Injury** sustained by any **Insured Person** due to assault (including robbery or hold-up), or any attempt thereof whilst in charge of the **Insured's Money**.

Provided that:

- (i) the **Insurer's** liability under benefits 1, 2, 3 and 4 in the table below, is subject to **Physical Injury** occurring within 12 (twelve) calendar months from the date of the assault; and
- (ii) where compensation is payable under one or more of the benefits (other than benefit 5 in the table below) the maximum sum payable in respect of any one **Insured Person** arising from any one **Occurrence** will not exceed GBP25,000 (twenty five thousand).

However, this will not apply where benefit 2 in the table below becomes payable in respect of an amputation, which can also be claimed under benefit 4 in the table below, but only in respect of disablement prior to the date of amputation and not exceeding 6 (six) weeks after that date; and

- (iii) in the event of compensation being paid in respect of benefit 4 in the table below, the **Insurer** will not be liable to make any payment in respect of the first 2 (two) weeks of disablement and the period for which compensation is payable will be limited to 104 (one hundred and four) weeks.

In addition, the **Insurer** will indemnify the **Insured** in respect of **Damage** to:

- (a) any cashbox, till, franking machine, safe at the **Premises** arising from theft or any attempted theft provided that the **Insurer's** liability does not exceed the cost of repair or, where damaged beyond economic repair, the cost of replacement; and
- (b) clothing and personal effects belonging to an **Insured Person** arising from hold-up, theft or attempted theft of **Money** belonging to the **Insured** away from the **Premises** for a maximum amount of GBP500 (five hundred) in respect of any one person.

The **Insurer's** maximum liability under this Extension shall not exceed the limits below:

Schedule of Limits for Money	Limit (GBP)
Limit in respect of any single loss of Negotiable Money:	
(a) in transit and on the Premises during the Insured's normal business hours	7,500
(b) contained in any securely locked safe or strongroom on the Premises outside of the Insured's normal business hours	2,000
(c) not secured in a safe or strongroom on the Premises outside of the Insured's normal business hours	750
(d) in the private dwelling house of the Insured or of any Employee authorised by the Insured outside of the Insured's normal business hours	500
Limit in respect of any single loss of Non-Negotiable Money:	250,000
All pertaining to the Business and belonging to, or the responsibility of, the Insured .	

Personal Accident (Assault) Scale of Benefits	Compensation (GBP)
Extent of Physical Injury:	
1. Death	25,000
2. Loss of one or more limbs or sight of one or both eyes	25,000
3. Permanent Total Disablement	25,000
4. Temporary Total Disablement (up to 104 weeks)	100 per week
5. Incurred medical expenses	100 or 15% of the amount in respect of weekly benefits, whichever is the greater

Conditions to Money Extension

The following conditions apply in respect of this Extension only, in addition to those conditions of general application to this **Policy**.

- (a) In respect of **Money** in transit, carried other than by a specialist security company, the **Insured** must provide no less than one able bodied **Insured Person** for each GBP5,000 (five thousand) of Negotiable Money carried and the sum carried shall be divided between such persons.
- (b) Any **Money** recovered after the settlement of any claim under this **Policy** will be the property of the **Insurer** up to the amount paid by the **Insurer**.

(20) Tenants Non-Invalidation

This Section shall not be invalidated by reason of anything done or omitted to be done by a third party without the **Insured's** knowledge in respect of any portion of the **Premises** referred to in the **Schedule** not occupied by the **Insured**, whether constituting an increase in risk or not provided that the **Insured**, immediately they become aware thereof shall inform **TULaC** of such alteration and pay an additional premium if required.

(21) Non-Ferrous Metals

The insurance under this Section includes accidental **Damage** to **Stock** and materials in trade consisting of non-ferrous metals other than aluminium, whilst at the **Premises** provided that the **Insurer's** maximum liability under this Extension shall not exceed GBP10,000 (ten thousand) in respect of any one **Occurrence**.

(22) Non-Invalidation

This **Policy** shall not be invalidated by any act or omission or by any alteration whereby the risk of **Damage** is increased, unknown to, or beyond the control of the **Insured**, provided that the **Insured** advises **TULaC** immediately it becomes aware thereof and pays an additional premium if required.

(23) Other Interests

The interest of other parties in this **Policy** is noted it being understood that in the event of any **Damage** the nature and extent of such other interests is disclosed by the **Insured**.

(24) Portable Electronic Business Equipment

The insurance under this Section extends to include accidental **Damage** to **Portable Electronic Business Equipment** anywhere in the European Economic Area, provided that the **Insurer's** maximum liability shall not exceed GBP5,000 (five thousand) in respect of any one **Occurrence**, and GBP1,500 (one thousand five hundred) any one item.

(25) Portable Tools and Stock

The insurance under this Section extends to include accidental **Damage** to **Portable Tools** and **Stock** anywhere in the European Economic Area provided that the **Insurer's** maximum liability shall not exceed:

- (a) GBP5,000 (five thousand) in respect of any one **Occurrence** and GBP750 (seven hundred and fifty) any one item for **Portable Tools**; and
- (b) GBP2,500 (two thousand five hundred) in respect of any one **Occurrence** and GBP750 (seven hundred and fifty) any one item for **Stock**.

(26) Re-erection of Machinery Costs

The insurance under this Section extends to include the cost of re-erecting, fitting, or fixing machinery consequent upon accidental **Damage**.

(27) Replacement Locks

If any of the keys to the **Premises** are stolen from the **Insured** or any partner, director or **Employee** and not recovered immediately, the **Insurer** will pay for the replacement of the locks at the **Premises**, to a standard equal to, but not better than, their original standard, provided **TULaC** is notified of the loss within 7 (seven) days of its occurrence.

The **Insurer's** maximum liability under this Extension is limited to GBP10,000 (ten thousand) in respect of any one **Occurrence**.

(28) Rent

If cover for rent is included in the **Schedule**, such cover applies only if any of the **Buildings**, or any part thereof, are rendered unfit for occupation in consequence of their accidental **Damage**, and the amount payable shall not exceed such proportion of the **Sum Insured** on rent as the period necessary for reinstatement bears to the term of rent insured.

(29) Services

The insurance by each Item on **Buildings** and **General Contents** extends to include telephone, gas, water, and electric instruments, meters, piping, cabling and the like and the accessories thereof including similar property in adjoining yards or roadways or underground, the property of the **Insured** or for which they are responsible.

(30) Temporary Removal

The insurance under this Section is extended to include the following, whilst temporarily removed to any premises not in the **Insured's** occupation and in transit thereto and therefrom, all in the **United Kingdom**:

- (a) deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed); and
- (b) computer system records; and
- (c) **General Contents** and **Electronic Business Equipment and Computers** other than **Stock**, but only for the purpose of cleaning, renovation, repair, or similar.

The **Insurer's** maximum liability under this Extension in respect of each Item shall not exceed 15% (fifteen percent) of the combined **Sum Insured** in respect of **General Contents** and **Electronic Business Equipment and Computers**.

This Extension does not apply to:

- (i) property insofar as it is otherwise insured; or
- (ii) motor vehicles and motor chassis licensed for road use; or

- (iii) property removed for more than 90 (ninety) consecutive days.

(31) Temporary Repairs Following Damage

The insurance under this Section extends to include cover for the reasonable cost of:

- (a) boarding-up of fixed glass in windows, doors, fan lights and skylights that is necessary to make the **Buildings** secure; and
- (b) the installation of temporary doors made necessary for weather-proofing or securing the **Buildings**; and
- (c) weatherproofing **Buildings**; and
- (d) securing the site,

following accidental **Damage** at the **Premises**.

(32) Theft Damage to Buildings

The insurance under this Section extends to include accidental **Damage** to **Buildings** at the **Premises** not insured by this Section resulting from theft or attempted theft, but only to the extent that the **Insured** is responsible for making good such accidental **Damage**.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) any one **Occurrence**.

(33) Trace and Access

The insurance under this Section is extended to include the costs necessarily and reasonably incurred with the consent of the **Insurer**, in locating the source of any escape of water from any fixed domestic water services or heating installation, or fuel oil used for domestic purposes, including subsequent repair to walls, floors or ceilings, provided that this Extension shall not apply to the cost of repairs to any fixed domestic water services or heating installation.

The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) any one **Occurrence**.

(34) Transfer of Interest

If at the time of **Damage** the **Insured** shall have contracted to sell their interest in any **Buildings** hereby insured and the purchase has yet to be completed, the purchaser of the **Buildings** shall be entitled to the benefit of the insurance under this Section provided the property is not otherwise insured elsewhere, and provided that it relates to **Damage** that does not prejudice the rights and liabilities of the **Insured** or **Insurer** under this Section up until the date of completion.

(35) Unauthorised use of Electricity, Gas or Water

The insurance under this Section is extended to pay the cost of metered electricity, gas or water

for which the **Insured** is legally responsible, arising from its unauthorised use by persons taking possession or keeping possession of or occupying the **Premises** without the **Insured's** authority.

Provided that all reasonable steps are taken to terminate such unauthorised use as soon as it is discovered. The **Insurer's** maximum liability under this Extension is limited to GBP25,000 (twenty five thousand) in respect of any one **Occurrence**.

(36) Workmen

Workmen are allowed in or about any of the **Premises** for the purpose of carrying out Extensions, alterations, repairs, decoration, plant installation and general maintenance and the like without prejudice to this **Policy**.

Conditions Precedent

The following shall be conditions precedent to any liability of the **Insurer** to make any payment under this Section.

(1) Fire Break Doors and Shutters

It is a condition precedent to the **Insurer's** liability under this Section that all fire break doors and shutters shall be kept closed, except during the **Insured's** working hours and will be maintained in efficient working order.

(2) Fire Extinguishment - Automatic Sprinkler Installations

In respect of any automatic sprinkler installations, it is a condition precedent to the **Insurer's** liability under this Section that the **Insured** shall:

- (a) make a test every working day for the purpose of ascertaining the condition of the circuit between the alarm switch and the control unit except where it is continuously monitored or is such that one break of wires will not prevent an alarm signal being transmitted (for example a ring circuit); and
- (b) make a test at least once a week for the purpose of ascertaining the condition of:
 - (i) the connection with the public fire station, central fire alarm depot or public fire brigade control (unless the fire brigade has given a written undertaking to carry out this test); and
 - (ii) the relevant batteries,

N.B. Where the circuit concerned is not continuously monitored, test (a) must be made every working day; and

- (c) have a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the installation(s), and to obtain from them following each inspection, certification that they are in satisfactory working order; and
- (d) make a test every week for the purpose of

ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installation(s) are fully open; and

- (e) make tests each week for the purpose of ascertaining that the pump(s) can be started both automatically and manually, and that in respect of any diesel engine driven pump, the battery electrolyte level and density are correct, and record the completion of these tests; and
- (f) make quarterly or half-yearly tests if required by **TULaC** to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test; and
- (g) remedy promptly any defect disclosed by such tests or otherwise.

N.B. Notice must be given to **TULaC** before any installation is rendered inoperative or immediately in the event of emergency.

The **Insurer** or their representative shall have access to the **Premises** at all reasonable times for the purpose of inspecting the sprinkler installation(s).

(3) Fire Extinguishment - Other Appliances

It is a condition precedent to the **Insurer's** liability under this Section that fire extinguishing appliances are serviced and maintained under an annual service contract with approved suppliers or as agreed with **TULaC**.

Subject to the observance of the above undertaking, claims under this Section shall not be declined as a result of any defect in any of the said appliances due to any circumstances unknown to, or beyond the control of, the **Insured**.

(4) Fire Alarms

It is a condition precedent to the **Insurer's** liability under this Section that in respect of automatic fire alarm installation(s):

- (a) they are tested and checked in accordance with requirements referred to on the completion certificate and that any defect disclosed is remedied promptly; and
- (b) they are maintained as specified by the manufacturers of the equipment; and
- (c) the **Insurer** is notified immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 (twelve) hours or more; and
- (d) details of all events such as alarm faults tests, maintenance and disconnections are recorded and such details are kept available for examination by the **Insurer's** representatives.

(5) Intruder Alarm System

For the purpose of this condition precedent, a **Keyholder** shall mean the **Insured** or any person or keyholding company authorised by the **Insured**, who is available at all times to accept notification of faults or alarm signals, relating to the **Intruder Alarm System**, and who will attend and / or allow access to the **Premises**.

It is a condition precedent to the **Insurer's** liability under this Section that where the **Premises** are protected by an **Intruder Alarm System**:

- (a) the **Intruder Alarm System** is maintained in full and effective working order under a contract to provide both corrective and preventive maintenance with the installer or such other contractor agreed by **TULaC** in writing; and
- (b) the **Premises** are not left unattended:
 - (i) unless the **Intruder Alarm System** is tested and set in its entirety and is, together with the means of communication used to transmit signals, in full and effective operation, and where the equipment permits any alarm receiving centre to which the **Intruder Alarm System** is connected has acknowledged the setting signal; or
 - (ii) if police response to alarm calls has been withdrawn, without the written agreement of **TULaC**; and
- (c) where the **Intruder Alarm System** is required or approved by **TULaC** as a condition of cover, it is installed in accordance with a specification agreed in writing by **TULaC**; and
- (d) there must be no alteration to or substitution of:
 - (i) any part of the **Intruder Alarm System**; or
 - (ii) the procedures agreed by the **Insured** for police or any other responses to activation of, or other warning signal pertaining to, the **Intruder Alarm System**; or
 - (iii) the maintenance contract without the written agreement of **TULaC**; and
- (e) no structural alteration of or changes in layout to the **Premises** that could affect the operation of the **Intruder Alarm System** shall be made without the written agreement of **TULaC**; and
- (f) the **Insured** shall maintain secrecy of codes for operation of the **Intruder Alarm System** and shall restrict their use to authorised persons only. It is a requirement that no details of these codes be left on the **Premises** and that the codes be changed immediately following the departure from the **Premises** of an authorised person; and

- (g) the **Insured** shall appoint at least two **Keyholders**, and shall record details of the **Keyholders** with the police and any Alarm Receiving Centre to which the **Intruder Alarm System** signals; and
- (h) any change of **Keyholder** details shall be notified straight away to the police and any Alarm Receiving Centre to which the **Intruder Alarm System** signals; and
- (i) in the event of notification of any activation of the **Intruder Alarm System** or interruption of the means of communication during any period that the system is set, a **Keyholder** shall attend and allow access to the **Premises** without delay; and
- (j) in the event that the **Insured** receives any notification:

- (i) from the police, alarm installer / maintenance contractor, or Alarm Receiving Centre that response to alarm signals or line interruptions from the **Intruder 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; or
- (iii) that the **Intruder Alarm System** cannot be returned to or maintained in full working order,

the **Insured** shall advise **TULaC** as soon as possible, and in any event not later than 10.00 hours on **TULaC's** next working day, and comply with any subsequent requirements stipulated by **TULaC**.

(6) Minimum Standards of Security

It is a condition precedent to the **Insurer's** liability under this Section that:

- (a) all protections in force at the **Premises** at the inception of this **Policy** or subsequently as stipulated by, or agreed by, **TULaC** shall be in full operation, securing the **Premises** whenever the **Premises** are closed for business or left unattended; and
- (b) any keys for the **Premises**, **Intruder Alarm System**, safes, strongrooms or any other secured area or device in which **Property Insured** is kept, are removed from the **Premises** whenever they are closed for business or left unattended.

(7) Unoccupied Premises

It is a condition precedent to the **Insurer's** liability under this Section that notice be given to **TULaC** when any **Building** or part thereof becomes **Unoccupied** or when an **Unoccupied Building** or part thereof is again occupied, and a suitable additional premium paid if required.

Conditions

(1) Average (Underinsurance)

Each Item **Sum Insured** is to be separately subject to Average (other than when settlement is made under "Reinstatement" or "Day One Reinstatement"- see Basis of Claims Settlement).

This means that at the time of **Damage**, if the **Sum Insured** is less than the total value of the **Property Insured**, the **Insured** will:

- (a) be responsible for the difference; and
- (b) bear a proportionate share of the loss.

Claims Conditions

In addition to the General Policy Conditions, the following Claims Conditions apply in respect of claims under this Section.

(1) Claims (Rights of the Insurer)

- (a) On the happening of **Damage** in respect of which a claim under this Section is made, the **Insurer** and any person authorised by the **Insurer** may, without incurring any liability or diminishing any of the **Insurer's** rights under this Section:
 - (i) enter, take or keep possession of the **Premises** where such **Damage** has occurred; and
 - (ii) take possession of, or require to be delivered to the **Insurer**, any **Property Insured** and deal with such **Property Insured** for all reasonable purposes in any reasonable manner.
- (b) No **Property Insured** may be abandoned to the **Insurer** whether or not taken possession of by the **Insurer**.

(2) Claims (Reinstatement)

If any of the property is to be reinstated or replaced by the **Insurer**, the **Insured** shall at its own expense, provide all such plans, documents, books and information as may be reasonably required. The **Insurer** 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**.

(3) Claims (Contribution)

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** suffering from the **Damage**, the liability of the **Insurer** hereunder shall be limited to its rateable proportion of such **Damage**.

If any such other insurance shall be subject to any Average (Underinsurance) Condition, this Section if not already subject to any such Condition, shall be subject to Average in like manner.

If any such 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 **Insurer** under this Section shall be limited to that proportion of the **Damage**, which the **Sum Insured** under this Section bears to the value of the **Property Insured**.

Section E - Business Interruption – All Risks

[Please also refer to the General Policy Definitions at the front of this **Policy**]

Section Definitions

Annual Turnover

The **Turnover** during the 12 (twelve) months immediately before the date of the accidental **Damage**.

Consequential Loss

The loss of **Gross Profit** due to a reduction in **Turnover** and loss of **Rent Receivable** resulting from interruption of the **Business** and / or **Increased Cost of Working** resulting from accidental **Damage** to the **Property Insured**,

(1) used by the **Insured** at the **Premises**; or

(2) elsewhere as specified

caused by any event covered under Section D – All Risks of Loss or Damage to Property, or for which liability has been admitted under a property insurance.

Estimated Gross Profit

The amount declared by the **Insured** to the **Insurer** as representing not less than the **Gross Profit** which it is anticipated will be earned by the **Business** during the year most nearly concurrent with the **Policy Period** (or a proportionately increased multiple thereof, where the **Indemnity Period** exceeds 12 (twelve) months).

Gross Profit

The amount by which the sum of the amount of the **Turnover** and the amounts of the closing **Stock** and work in progress exceeds the sum of the amounts of the opening **Stock** and work in progress and the amount of the **Specified Working Expenses**.

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

Increased Cost of Working

The additional expenditure necessarily and reasonably incurred by the **Insured** with the **Insurer's** consent.

Indemnity Period

The period beginning with the date of the accidental **Damage** and ending not later than 12 (twelve) months after, unless otherwise stated in the **Schedule**, or in any of the Section Extensions, during which the results of the **Business** are affected as a result of the accidental **Damage**.

Property Insured:

1. **Buildings**
2. **Outbuildings**
3. **Fixed Glass**
4. **General Contents**

5. **All Other Contents**
6. **Electronic Business Equipment and Computers**
7. **Portable Electronic Business Equipment**
8. **Portable Tools**
9. **Stock**

(1) Buildings

- (a) Buildings forming part of the **Premises** incorporating permanent foundations below ground level; and
- (b) landlord's fixtures and fittings therein and thereon; and
- (c) Extensions, annexes, conveniences and external hoists, gangways and staircases; and
- (d) walls, gates, hedges and fences around and pertaining thereto; and
- (e) security lighting, security cameras and other security or fire protection devices, affixed signs, television, radio, satellite receiving aerials, communication aerials, their fittings and masts affixed to the buildings, and fixed poles or fixed pylons; and
- (f) instruments, meters, piping, cabling and the like and the accessories thereon extending from the buildings to the perimeter of the **Premises** or to the public mains (including those underground) for the supply of telephone, gas, water and electricity utilities to the **Premises**; and
- (g) underground storage tanks.

(2) Outbuildings

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

(3) Fixed Glass

- (a) Internal and external glass of normal glazing quality, or as may otherwise be specified under any Building Regulations which may apply, for which the **Insured** is responsible, or for which they may deem themselves responsible for an amount not exceeding the cost of replacement; and
- (b) sanitary ware and wash basins.

(4) General Contents

Machinery, plant and **All Other Contents** therein and thereon the property of the **Insured** and held by them in trust for which they are responsible, excluding landlord's fixtures and fittings, **Electronic Business Equipment and Computers, Portable Electronic Business Equipment, Portable Tools, Stock** and property more specifically insured.

(5) All Other Contents

- (a) Tenants' improvements including structural alterations, decorations and fixtures for which the **Insured** is responsible; and
- (b) (i) documents, manuscripts, and business books but only for the value of materials as stationery, together with

(ii) the cost of clerical labour expended in writing up, and not for the value to the **Insured** of the information contained therein

up to a maximum limit of GBP10,000 (ten thousand); and
- (c) computer systems records, but only for the value of the materials and the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein), and not for the value to the **Insured** of the information contained therein up to a maximum limit of GBP50,000 (fifty thousand); and
- (d) cigarettes, cigars, tobacco, wines and spirits up to a maximum limit of GBP500 (five hundred) and so far as the same are not otherwise insured; and
- (e) patterns, models, moulds, plans and designs; and
- (f) directors', partners', **Employees'** and visitors' pedal cycles, and other personal effects including personal **Money** up to GBP1,000 (one thousand) in respect of any one person.

(6) Electronic Business Equipment and Computers

Printers, photocopiers, facsimile machines, telecommunications systems, computer equipment, personal computers, word processing equipment, lap top computers, tablets, computer aided design equipment, keyboards, visual display units, desk top publishing equipment, graphic design equipment, electronic imaging equipment and data carrying materials comprising all current and back-up computer programs and information contained on magnetic or optical discs and magnetic tapes the property of the **Insured** or for which the **Insured** is responsible.

(7) Portable Electronic Business Equipment

Lap top computers, electronic note pads, tablets, modems, mobile phones, pagers, dictating machines, satellite navigation systems and calculators used in connection with the **Business**, the property of the **Insured** or any **Employee** or for which the **Insured** or any **Employee** is responsible.

(8) Portable Tools

Portable tools used in connection with the **Business**, the property of the **Insured** or any **Employee**.

(9) Stock

Stock and materials in trade including work in progress, the property of the **Insured** or held in trust or on commission, for which the **Insured** is responsible.

Outstanding Debit Balances

The money owed to the **Insured** by the **Insured's** customers at the date of the accidental **Damage** taking into account:

- (1) bad debts; and
- (2) owed amounts not passed through the books during the period between the last record and the date of the accidental **Damage**; and
- (3) abnormal trading conditions affecting the **Business**; and
- (4) the **Insured's** last record of amounts owed by customers.

Rate of Gross Profit

The rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the accidental **Damage**.

Rent Receivable

The amount of the rent received or receivable from the letting of any premises or any part thereof.

Specified Working Expenses

- (1) Purchases (less discounts received); and
- (2) discounts allowed; and
- (3) carriage, packing and freight.

Standard Rent Receivable

The **Rent Receivable** during the period corresponding with the **Indemnity Period** in the 12 (twelve) months immediately before the date of accidental **Damage**.

Standard Turnover

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

Turnover

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

Unoccupied

Unoccupied, untenanted or no longer in active use.

NB1 So far as is relevant, the words and expressions used in these definitions will have the meaning usually attached to them in the **Insured's** books and accounts. Any adjustments implemented in current cost accounting will be disregarded.

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

Insuring Clause

Subject to the terms and conditions of this **Policy**, the **Insurer** shall provide cover to the **Insured** in respect of:

(1) **Consequential Loss** occurring during the **Policy Period** arising from any accidental **Damage** not otherwise excluded.

Provided that at the time of the happening of the **Consequential Loss**, there shall be in force an insurance covering the interest of the **Insured** in the property against accidental **Damage** and that:

- (a) payment shall have been made or liability admitted for such accidental **Damage**; or
- (b) payment would have been made or liability admitted for such **Damage** but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

(2) The **Sum Insured** in respect of Loss of **Gross Profit**, **Increased Cost of Working**, and **Rent Receivable**.

(3) Loss of **Gross Profit** and / or **Increased Cost of Working** arising from accidental **Damage** by any of the events Insured under Section D – All Risks of Loss of or Damage to Property, to the **Insured's** books of account or other **Business** books, or records resulting in the **Insured's** inability to trace or establish the **Outstanding Debit Balances**, up to a limit of GBP150,000 (one hundred and fifty thousand) any one **Occurrence**.

Provided that:

- (a) the **Insured** keeps all books of account or other **Business** books or records in which customers' accounts are shown, in a fire resistant cabinet or safe when not in use; and
- (b) all data contained in any **Electronic Business Equipment and Computers** in respect of the **Insured's** customers' accounts is backed-up at least weekly onto a disk / tape and maintained away from the **Premises**.

Basis of Claims Settlement

The amount payable will:

(a) **Loss of Gross Profit**

in respect of a reduction in **Turnover** be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** in consequence of the accidental **Damage**, falls short of the **Standard Turnover**; and

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

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

(c) **Rent Receivable**:

in respect of **Rent Receivable**:

- (i) be the amount by which the **Rent Receivable** during the **Indemnity Period** as a result of the accidental **Damage**, falls short of the **Standard Rent Receivable**; and
- (ii) include the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **Rent Receivable** which would have been received during the **Indemnity Period** had no accidental **Damage** occurred, but not exceeding the amount of the reduction in **Rent Receivable** thereby avoided,

less any sum saved during the **Indemnity Period** in respect of charges or **Business** expenses payable out of **Gross Profit**, which cease or are reduced as a result of the accidental **Damage**.

However, the amount payable will not exceed the **Sum Insured** at the time of the accidental **Damage**; and

(d) **Auditors' and Accountants' Charges**

include indemnity in respect of auditors' or accountants' charges reasonably incurred for producing and certifying details of a claim under this Section.

The Basis of Claims Settlement will be as stated in the **Schedule**.

Limit of Liability

The maximum liability of the **Insurer** under this Section shall not exceed in the whole the **Sum Insured** or in respect of any Item its **Sum Insured** or any other limit of liability stated in the **Schedule** at the time of the **Consequential Loss**.

Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions.

The **Insurer** shall not indemnify the **Insured** for:

(1) any **Consequential Loss** arising from **Damage** excluded under Section D – All Risks of Loss or Damage to Property other than:

- (a) the **Excess** referred to under the Section Exclusions; and
- (b) in respect of **Consequential Loss** covered by Section Extension 16 – Goods in Transit; or
- (2) any loss due to fines or damages for:
 - (a) breach of contract, or
 - (b) late or non-completion of orders; or
 - (c) any penalties of whatsoever nature; or
- (3) a deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services; or
- (4) any **Consequential Loss** occasioned by:
 - (a) the voluntary parting with title or possession of any property or rights to property; or
 - (b) confiscation, requisition, seizure or destruction by order of the Government or any public authority; or
- (5) **Consequential Loss** in respect of **Breakdown** of any item of **Electronic Business Equipment and Computers**:
 - (a) unless it has been installed and is being operated in accordance with the manufacturer's instructions; or
 - (b) whilst it is the subject of a guarantee or warranty provided by the manufacturer or supplier under which **Breakdown** cover is provided; or
 - (c) arising during dismantling or erection of the installations unless during any process of adjusting, cleaning or repairing.
- (6) **Consequential Loss** in respect of:
 - (a) loss of, alteration of, or **Damage** to; or
 - (b) a reduction in the functionality, availability or operation of:

a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment whether the property of the **Insured** or not unless the accidental **Damage** arises from **Defined Perils**; or

Section Clauses

(1) Accountants

The **Insurer** will indemnify the **Insured** in respect of the reasonable charges payable by the **Insured** to their professional accountants for producing such

particulars or details or any other proofs, information or evidence as may be required by the **Insurer** under the terms of General Policy Conditions (A) (2) (a) and confirming that such particulars or details are in accordance with the **Insured's** books of account or other **Business** books or documents.

The **Insurer's** maximum liability, including any payment under this Clause, shall not exceed the **Sum Insured**.

(2) Accumulated Stocks

In adjusting any loss, account shall be taken and an equitable allowance made, if any shortage in **Turnover** due to the accidental **Damage** is postponed, by reason of the **Turnover** being temporarily maintained from accumulated stocks of finished goods on the **Premises**.

(3) Alternative Premises

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

(4) Automatic Reinstatement

In the absence of written notice by the **Insurer** or the **Insured** to the contrary, the **Sums Insured** by this Section shall not be reduced by the amount of the loss, and in return the **Insured** undertakes to pay the appropriate extra premium, at a rate to be agreed, on the amount of the loss from the date of such loss.

(5) Departmental (Gross Profit Basis)

If the **Business** is conducted in departments, the independent trading results of which are ascertainable, the provisions of parts (a) and (b) of the Basis of Claims Settlement of this Section shall apply separately to each department affected by the accidental **Damage**, except that if the **Sum Insured** is less than the aggregate of the sums produced by applying the **Rate of Gross Profit** for each department of the **Business** (whether affected by the accidental **Damage** or not) to its relative **Annual Turnover** (or to a proportionately increased multiple thereof where the **Indemnity Period** exceeds 12 (twelve) months), the amount payable shall be proportionately reduced.

(6) Payments on Account

Payments on account may be made to the **Insured** monthly during the **Indemnity Period** if desired by the **Insured**.

(7) Salvage Sale

If following any accidental **Damage** giving rise to a claim under this Section, the **Insured** shall hold a salvage sale during the **Indemnity Period**, part (a) of the Basis of Claims Settlement of this Section shall for the purpose of such claim read as follows:

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

(8) Uninsured Standing Charges

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

Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy** (unless expressed to the contrary in this Section) to provide the following Extensions of cover in respect of **Consequential Loss** arising as a result of the following:

(1) Closure

Closure of the **Premises** by the authorities following:

- (a) an outbreak of any notifiable human, infectious disease or contagious disease; or
- (b) murder or suicide; or
- (c) defective sanitary arrangements or vermin or pests.

Provided that:

- (a) the **Insurer's** maximum liability shall not exceed GBP100,000 (one hundred thousand) any one **Occurrence** and GBP200,000 (two hundred thousand) in the aggregate during the **Policy Period**;
- (b) the **Indemnity Period** in respect of this Section Extension is limited to 3 (three) months.

However, the **Insurer** shall not indemnify the **Insured** in respect of :

- (i) any **Consequential Loss** arising as a result of Acquired Immune Deficiency Syndrome (AIDS), avian influenza or swine influenza; or
- (ii) any costs incurred in the cleaning, repair, replacement, recall or checking of property; or
- (iii) the first 7 (seven) days of any interference with the **Business**.

(2) Customers

Accidental physical **Damage** by any event **Insured**

under Section D – All Risks of Loss or Damage to Property, to property at the premises of any of the **Insured's** customers in the **United Kingdom**, with whom, at the time of the accidental **Damage**, the **Insured** has agreed under contract or trading relationship to supply goods or services.

Provided that the **Insurer's** maximum liability shall not exceed 10% (ten percent) of the **Sum Insured** any one **Occurrence**.

However, the Insurer shall not indemnify the **Insured** in respect of any **Consequential Loss**:

- (i) arising from any cause within the control of the **Insured**; or
- (ii) as a result of physical **Damage** to property due to any inherent defect or wear and tear.

(3) Denial of Access

Accidental physical **Damage** to other property within 1 (one) mile of the **Premises**, which prevents or hinders use of or access to the **Premises**.

Provided that:

- (a) the **Insurer's** maximum liability shall not exceed GBP100,000 (one hundred thousand) any one **Occurrence** and GBP250,000 (two hundred and fifty thousand) in the aggregate during the **Policy Period**; and
- (b) the **Indemnity Period** in respect of this Section Extension is limited to 3 (three) months.

However, the **Insurer** shall not indemnify the **Insured** in respect of:

- (i) the first 24 (twenty four) hours of interference with the **Business**; or
- (ii) any cause within the control of the **Insured**.

(4) Failure of Public Utilities

Accidental **Damage** resulting from interruption of, or interference with, the **Business** carried out on the **Premises** in consequence of accidental **Damage**, by any event insured under Section D – All Risks of Loss or Damage to Property, to property at any:

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

from which the **Insured** obtains electricity, gas, water or telecommunication services.

Provided that:

- (a) the **Insurer's** maximum liability shall not exceed GBP100,000 (one hundred thousand) any one **Occurrence**; and
- (b) the **Indemnity Period** in respect of this Section Extension is limited to 3 (three) months.

However, the **Insurer** shall not indemnify the **Insured** in respect of any **Consequential Loss**:

- (i) arising as a result of strikes, labour disturbances or industrial action by any workforce; or
- (ii) due to drought or any scheme of rationing unless necessitated solely by physical **Damage** to a part of the public utility suppliers property; or
- (iii) arising from any cause within the control of the **Insured**; or
- (iv) in respect of any failure of supply that does not exceed 6 (six) hours.

(5) Suppliers and Storage Sites

Accidental physical **Damage** by any event insured under Section D – All Risks of Loss or Damage to Property, to property at the premises of any of the **Insured's** suppliers, and premises not occupied by the **Insured** where the **Insured's** property is stored, all in the **United Kingdom** (other than suppliers of electricity, gas, water or telecommunication services).

Provided that the **Insurer's** maximum liability shall not exceed 10% (ten per cent) of the **Sum Insured** any one **Occurrence**.

However, the **Insurer** shall not indemnify the **Insured** in respect of any **Consequential Loss**:

- (i) arising from any cause within the control of the **Insured**; or
- (ii) as a result of physical **Damage** to property due to any inherent defect or wear and tear.

(6) Contract Sites

Accidental **Damage** by any event insured under Section D – All Risks of Loss or Damage to Property, to property at any contract site in the **United Kingdom** not occupied by the **Insured**, where the **Insured** is carrying out a contract.

(7) Exhibition Sites

Accidental **Damage** by any event insured under Section D – All Risks of Loss or Damage to Property, to property at any site in the **United Kingdom** where the **Insured** is exhibiting goods for sale.

Claims Conditions

In addition to the General Policy Conditions the following Claims Condition will apply in respect of claims under this Section.

(1) Claims (Contribution)

If at the time of any accidental **Damage** resulting in a claim under this Section, there is any other insurance in force covering such claim or any part of it, the liability of the **Insurer** shall be limited to its rateable proportion of such loss.

Section F – Terrorism

Section Definitions

[Please also refer to the General Policy Definitions at the front of this **Policy**. All defined words and phrases shall have the meaning attaching to them in the relevant Section]

Act of Terrorism

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

Denial of Service Attack

Any actions or instructions, constructed or generated with the ability to damage, interfere with, or otherwise affect, the availability of networks or network services, network connectivity or information systems.

This definition includes, but is not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, and the generation of excess or non-genuine traffic between and amongst networks.

Event

All individual losses insured by this Section arising in a continuous period of 72 (seventy two) hours, of which the proximate cause is the same **Act of Terrorism**.

Provided that:

- (1) the date and time of commencement of such period is at the discretion of the **Insurer**; and
- (2) no such period commences earlier than the date and time of the happening of the first recorded individual loss arising from the **Act of Terrorism** in question; and
- (3) no two periods overlap.

An **Event** shall be deemed to arise in the **Policy Period** in which the 72 (seventy two) hour period commences, notwithstanding that it may continue beyond the time of expiry of the **Policy Period**.

Hacking

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

Nuclear Installation

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

- (1) the production of atomic energy; or

- (2) the carrying out of any process, which is preparatory or ancillary to the production or use of atomic energy, and which involves, or is capable of causing, the emission of ionising radiation; or
- (3) the storage, processing or disposal of nuclear fuel, or bulk quantities of other radioactive matter, which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

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

Virus or Similar Mechanism

A programme code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with, or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not.

This definition includes but is not limited to Trojan horses, worms and logic bombs.

Insuring Clause

If Her Majesty's Government or Her Majesty's Treasury or any other authorised authority issues a certificate certifying an event or occurrence to have been an **Act of Terrorism**, or any refusal to do so is subsequently overturned by a validly constituted Tribunal, the **Insurer** hereby agrees, notwithstanding any other provisions to the contrary but subject to all other terms and conditions of this **Policy** except any Exclusions, to indemnify the **Insured** in respect of:

- (1) **Damage** caused to **Property Insured** under Section B – Contract Works; and
- (2) **Damage** caused to **Property Insured** under Section D – All Risks of Physical Loss or Damage to Property; and
- (3) **Consequential Loss** under Section E – Business Interruption,

occurring during the **Policy Period** in England, Wales and Scotland, but not the territorial seas adjacent thereto, as defined by the Territorial Sea Act 1987, or any subsequent amendments thereof.

Provided that:

- (1) Terrorism cover is shown as being operative in this regard in the **Schedule**; and
- (2) the liability of the **Insurer** for all loss per **Event** shall not exceed the **Limit of Indemnity** or **Sum Insured** in respect of the relevant Section.

Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions.

The **Insurer** shall not indemnify the **Insured** under this Section in respect of any losses whatsoever:

- (1) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power; or
- (2) directly or indirectly caused by, contributed to or by, arising from, occasioned by or resulting from **Damage** to any computer or other equipment, component, system or item, which processes, stores, transmits, retrieves or receives data, or any part thereof, whether tangible or intangible (including but not limited to any information or programs or software), and whether the property of the **Insured** or not, where such **Damage** is caused by **Virus or Similar Mechanism, Hacking or Denial of Service Attack**, including consequential loss directly or indirectly caused by, or arising from **Virus or Similar Mechanism, Hacking or Denial of Service Attack**; or
- (3) in respect of any property or part thereof, which is occupied as a private residence, unless the:
 - (a) commercially occupied portion of the property exceeds 20% (twenty per cent); or
 - (b) property is not insured in the name of an individual; or
- (4) in respect of any **Nuclear Installation or Nuclear Reactor** and all fixtures and fittings situated thereon and attached thereto, and all pipes, wires, cables or other conduits or service media of any description, which are affixed or connected to, or in any way serve, such **Nuclear Installation or Nuclear Reactor**; or
- (5) in respect of property in transit, whether by air, sea, road, rail or inland waterway.

Section Conditions

The following conditions apply to this Section only, in addition to the General Conditions

(1) Burden of Proof

If the **Insurer** alleges that any loss is not covered under this Section, the burden of proving the contrary shall be upon the **Insured**.

(2) Policy Period

Any Long Term Agreement applicable to the **Policy Period** shall not apply to this Section.

(3) Premium Adjustment

Any Premium Adjustment Condition applicable to this **Policy** shall not apply to this Section.

(4) Reinstatement

Notwithstanding any provisions to the contrary, any provision in this **Policy** that allows for any reinstatement following a loss, shall not apply to losses that are covered under this Section.

Section G - Directors and Officers

Liability

This Section of this **Policy** is on a claims made basis. It applies only to **Claims** first made against the **Insured** and notified to **TULaC** during the **Policy Period**, unless stated otherwise.

Section Definitions

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

Circumstance

An incident, occurrence, dispute, fact, matter, act or omission that may reasonably be expected to give rise to a **Claim** or a claim under this Section.

Claim

- (1) Any legal, administrative or regulatory proceeding, whether civil or criminal, commenced against an **Insured Person** alleging that he has committed a **Wrongful Act**; or
- (2) any written or verbal communication received by an **Insured Person** or **Company** alleging an **Insured Person** has committed a **Wrongful Act** indicating an intention to claim against such **Insured Person** or to complain about him in respect of such **Wrongful Act** to a legal, administrative or regulatory authority; or
- (3) any written notice served on an **Insured Person** requiring the **Insured Person** to attend an interview or provide documentation or otherwise co-operate in an administrative or regulatory investigation, where the investigation directly concerns the conduct of the **Insured Person** (acting in his capacity as an **Insured Person**) or the affairs of the **Company**.

Company

The **Insured** as stated in the **Schedule** and shall include all its **Subsidiary Companies**.

Continuous Cover Date

The date specified in the **Schedule** or any Endorsement comprising part of this **Policy** as the Continuous Cover Date and relating to this Section.

Defence Costs and Expenses

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

Director or Officer

A director or officer of the **Company**.

Employment Practice

- (1) Discrimination with respect to the terms or conditions of employment on the basis of an individual's race, colour, religion, age, sex, national origin, disability, pregnancy, sexual orientation or preference or other status protected under applicable law; or
- (2) sexual harassment, including unwelcome sexual advances, requests for sexual favours, and any unwelcome verbal, visual or physical contact of a sexual nature which:
 - (a) is explicitly or implicitly made a term or condition of employment; or
 - (b) creates a hostile or offensive working environment; or
 - (c) when rejected or opposed by a person becomes a basis for decisions regarding that person's employment; or
- (3) defamation relating to a person's job skill, job performance, qualifications for employment, professional reputation, disciplinary history, or termination of employment; or
- (4) unfair or wrongful termination of employment or refusal to hire; or
- (5) adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another.

Extradition Proceedings

Proceedings commenced in the **United Kingdom** by the service upon an **Insured Person** of an arrest warrant pursuant to the Extradition Act 2003 or foreign equivalent.

Independent lawyer

- (1) Where the **Claim** is in England, a Queen's Counsel agreed upon by the **Insured Person** or the **Company** and the **Insurer** or failing such agreement, to be nominated by the chairman for the time being of the Bar Council of England and Wales; or
- (2) where the **Claim** is in another jurisdiction, a lawyer of more than 10 (ten) years' experience agreed upon by the **Insured Person** or the **Company** and the **Insurer** or failing such agreement to be nominated by the chairman of the local law society.

Insured

The **Company** and the **Insured Person**.

Insured Person

- (1) Any natural person who is, was or during the **Policy Period** becomes a **Director or Officer** including **Non-Executive Directors**; and

- (2) the **Director's or Officer's** estate, heirs, legal representatives or assigns, in the event of his death or incompetence or bankruptcy, but only for a **Wrongful Act** or conduct performed by that **Director or Officer** in their capacity as such; and
- (3) the lawful spouse of any **Director or Officer** provided that the **Claim** is to enforce a judgment against that **Director or Officer** for a **Wrongful Act** or conduct performed in their capacity as such; and
- (4) any **Employee** of the **Company**
 - (a) whilst acting in a managerial or supervisory capacity; or
 - (b) named as a co-defendant with a **Director or Officer** of a **Company** in a **Claim** in which the **Employee** is alleged to have participated or assisted in the commission of a **Wrongful Act**; and
- (5) any natural person acting as a shadow director of the **Company** as defined in the Companies Act 2006 or any subsequent revisions thereto.

Non-Executive Director

A natural person who is, was or shall become a non-executive director of the **Company**.

Stock Offering

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

Subsidiary Company

- (1) Any company in respect of which the **Company** (either directly or indirectly through one or more of its subsidiary companies):
 - (a) controls the composition of the board of directors; or
 - (b) controls more than half the voting power at a general meeting of shareholders; or
 - (c) holds more than half of the issued share capital (regardless of class of share); or
- (2) any company as defined in part (1) above (other than any company, part of whose issued share capital is offered to the public or otherwise traded on a recognised exchange in the United States of America), which is acquired or created on, or subsequent to, the Effective Date of this Section and of which the total assets do not exceed 20% (twenty percent) of the **Company's** consolidated total assets as declared in their latest annual report and account; or
- (3) any other company in respect of which **TULaC** has agreed in writing to include as a subsidiary company under this Section.

Take-over or merger

- (1) Any sale of the majority of the issued share capital of the **Company**; or
- (2) the **Company's** merger with or acquisition by another entity such that the **Company** is not the surviving entity and no longer:
 - (a) controls the composition of the board of directors; or
 - (b) controls more than half the voting power; or
 - (c) holds more than half of the issued share capital.

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

Territorial Limits

Worldwide excluding United States of America, Canada and any territory within their jurisdiction.

Wrongful Act

Any actual or alleged wrongful act or omission committed by the **Insured Person** solely in his capacity as an **Insured Person** including any:

- (1) misstatement; or
- (2) misrepresentation; or
- (3) breach of trust; or
- (4) breach of duty; or
- (5) breach of warranty of authority; or
- (6) libel or slander; or
- (7) **Employment Practice**.

Insuring Clause

(1) Directors' and Officers' liability

The Insurer agrees, subject to the terms and conditions of this **Policy** to pay on behalf of an **Insured Person** in respect of his liability for:

- (a) compensatory damages and costs awarded against such **Insured Person** by a court or tribunal empowered to do so; or
- (b) exemplary or aggravated damages for libel and slander awarded against such **Insured Person** by a court or tribunal empowered to do so; or
- (c) multiple, exemplary or punitive damages (provided these are in addition to compensatory damages and not a form of tax, fine or similar penalty) awarded by a court or tribunal, if indemnity for this is lawful under the laws of the territory of

that court or tribunal; or

- (d) settlements comprising any actual or anticipated legal proceedings made with the **Insurer's** prior written consent (such consent not to be unreasonably withheld),

arising solely from a **Claim** first made during the **Policy Period**, except to the extent that the **Company** has indemnified the **Insured Person** in respect of that **Claim**.

(2) Company Reimbursement

The **Insurer** agrees, subject to the terms and conditions of this **Policy**, to indemnify the **Company**, to the extent it has lawfully indemnified an **Insured Person** for a **Claim** otherwise insured under Insuring Clause (1) of this Section.

It is a condition precedent to the **Insurer's** liability, that where cover is provided under this Section, the **Insured** must comply with any subjectivities or conditions precedent set out in **TULaC's** quotation, unless **TULaC** agrees by way of Endorsement that any such subjectivity or condition precedent shall not be applicable to the **Insured**.

Section Extensions

The **Insurer** hereby agrees, subject to the terms and conditions of this **Policy** (unless expressed to the contrary in this Section), to provide the following Extensions of cover.

(1) Advancement of Defence Costs and Expenses

In respect of any **Claim** covered under this Section, the **Insurer** will advance **Defence Costs and Expenses** prior to the final settlement of a **Claim**. Such advance payments of **Defence Costs and Expenses** shall be:

- (a) part of and not exceed the **Limit of Indemnity**; and
- (b) repayable to the **Insurer** by the **Insured Persons** or the **Company** severally, according to their respective interests in the event and to the extent that it is determined that they were not entitled under this Section to payment of such **Defence Costs and Expenses**.

(2) Defence Costs and Expenses

In respect of **Claims** covered under this Section the **Insurer** also agrees to pay **Defence Costs and Expenses**, which are incurred by an **Insured Person** with the **Insurer's** prior written consent in the:

- (a) defence, negotiation and settlement of any **Claim**; and
- (b) defence of **Extradition Proceedings** commenced in respect of a **Claim**.

(3) Limit of Indemnity

- (a) The **Limit of Indemnity** is the maximum payable by the **Insurer** under this Section in respect of any one **Claim** and in the aggregate during the **Policy Period** irrespective of the number of:
 - (i) **Claims** made; or
 - (ii) **Insureds** entitled to indemnity; or
 - (iii) **Wrongful Acts**; or
 - (iv) Sections or covers within the Sections under which claims are made under this Section.
- (b) The **Limit of Indemnity** shall be inclusive of all **Defence Costs and Expenses**.
- (c) Any sub-limit of indemnity stated in the **Schedule** or any Endorsement shall be part of and not in addition to the **Limit of Indemnity**.

(4) Manslaughter Defence Costs and Expenses

The **Insurer** will, with its prior consent which consent will not be unreasonably withheld, indemnify an **Insured Person** in respect of **Defence Costs and Expenses** incurred in defending allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against such **Insured Person**; and provided that the **Claim** is first made during the **Policy Period**.

(5) Multiple Claims

- (a) All causally connected or interrelated **Wrongful Acts**, or conduct (as described in the Section Definitions), jointly constitute a single **Wrongful Act**, or conduct, under this Section.
- (b) Where a single **Wrongful Act**, or conduct, gives rise to more than one **Claim**, all such **Claims** jointly constitute one claim under this Section.

(6) Notice

Notice given by or to one **Insured** shall constitute notice by or to all **Insured**.

(7) Other insurance

If there is any other valid and collectible insurance that is available to a party able to claim under this **Policy** in respect of a **Claim**, other than insurance that is specifically stated to be in excess of and names the **Insured** for the insurance by that policy, then the insurance afforded by this Section will be in excess of and will not contribute to such other insurance.

(8) Pollution

Section Extension 2 is extended to pay, on behalf of an **Insured Person** in respect of his liability for:

- (a) any **Claim** brought by the **Company's** shareholders (without any procurement or instigation by any **Insured Person** or agent of the **Company**) on the basis solely that **Pollution** has

caused a loss in the value of the share capital of the **Company**; or

- (b) **Defence Costs and Expenses** incurred in defending a **Claim**.

Provided that any **Claim** is brought in a member state of the European Union and that the **Insurer's** liability under this Section Extension does not exceed GBP25,000 (twenty five thousand) including **Defence Costs and Expenses**.

(9) Severability

- (a) The **Proposal** shall be construed as a separate application for insurance under this Section by each **Insured**. No statements in the **Proposal** or knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person**.
- (b) For the purpose of determining the applicability of the Exclusions and limitations in this Section, the act or knowledge of an **Insured Person** shall not be imputed to any other **Insured Person**.

(10) Territory and Legal Actions

This Section applies to **Claims** made, based upon acts occurring anywhere within the **Territorial Limits**.

Section Exclusions

The following Exclusions apply to this Section. Also refer to the General Policy Exclusions.

The **Insurer** shall not indemnify the **Insured** under this Section against liability arising out of, based upon or attributable to any:

(1) Bodily Injury or Property Damage

actual or alleged **Bodily Injury**, emotional distress, mental anguish, psychiatric harm or injury, or **Damage** to any tangible property including loss of use except that this Exclusion shall not apply to emotional distress or mental anguish brought as part of a **Claim** arising out of any **Employment Practice**; or

(2) Dishonesty

actual dishonest, fraudulent, or malicious act of any **Insured Person**, whether directly or indirectly, except that this Exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur; or

(3) Existing Claims Claims:

- (a) notified or arising out of facts or any **Circumstance** notified (or which ought to have been notified) under any previous policy; or
- (b) made, threatened or intimated against the **Insured** prior to the commencement of the **Policy Period**; or

- (c) directly or indirectly arising out of facts or a **Circumstance** of which the **Insured** first became aware prior to the **Policy Period**, and which the **Insured** knew or ought reasonably to have known had the potential to give rise to a claim under this **Policy**; or

- (d) arising out of a **Circumstance** noted on the **Proposal** for the **Policy Period** or on any previous proposal; or

(4) Insured vs. Insured

Claims made by or on behalf of the **Company** or by or on behalf of any **Insured Person** against any other **Insured Person**, except that this Exclusion does not apply to any **Claim** against an **Insured Person**:

- (a) brought by or at the direction of any liquidator, provisional liquidator, administrator or receiver of the **Company**; or
- (b) made by a former **Director or Officer**; or
- (c) for indemnity in respect of a **Claim** made by an independent third party without the procurement or instigation of any **Insured Person** or agent of the **Company**; or
- (d) in the form of a derivative action; or
- (e) where the **Insured Person** is a former **Director or Officer**; or
- (f) in respect of **Defence Costs and Expenses**; or

(5) Non-covered acts

Claims directly or indirectly arising out of **Wrongful Acts** committed (or alleged to have been committed) or conduct as described in paragraph (3) of the definition of **Claim** in this Section;

- (a) after the date of commencement of the winding up of, or the appointment of a receiver, administrative receiver, liquidator or administrator to the **Company**; or
- (b) after the date of a **Take-over or Merger**; or
- (c) prior to the date of acquisition by the **Company** of a **Subsidiary Company**;

but only as regards acts committed in the capacity as a **Director or Officer** of such **Company** unless otherwise agreed by the **Insurer**; or

(6) Pension schemes

Claims for any actual or alleged breach of duty by any **Insured Person** as a trustee of any pension or superannuation scheme, health and welfare plan, share option scheme or plan, or other employee benefit programme, social benefits system or trust programme established or maintained for the benefit of the **Company's** employees including, for the

avoidance of any doubt, any **Claims** under the UK Pensions Act 1995, or similar legislative, common or civil law provisions in the same or other jurisdictions; or

(7) Personal profit

Claims directly or indirectly arising out of any **Insured Person** gaining any actual profit or advantage or receiving any remuneration to which they are not legally entitled, except that this Exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur; or

(8) Pollution

Claims directly or indirectly arising out of any **Pollution**, except as provided by Section Extension 8; or

(9) Prior / pending litigation

Claims directly or indirectly arising out of the circumstances underlying any **Claim** or any legal, administrative or regulatory proceedings against the **Insured** first made or commenced prior to the **Continuous Cover Date**; or

(10) Professional services

Claims for any actual or alleged breach of any professional services by any **Insured Person**, except that this Exclusion does not apply to any **Claim** alleging a failure to supervise any employee of the **Company**; or

(11) Stock offerings during Policy Period

- (a) directly or indirectly arising out of a **Stock Offering** during the **Policy Period** unless otherwise agreed by the **Insurer**; or
- (b) brought by or on behalf of any shareholder who owns directly or beneficially more than 15% (fifteen percent) of the issued share capital of the **Company**, except that this Exclusion shall only apply to **Claims** where such shareholder or shareholder's representative directly or indirectly has participated in or ratified the alleged **Wrongful Act** being the subject of the **Claim**; or

(12) Uninsurable matters

Claims directly or indirectly arising out of matters which are uninsurable under the laws of any territory within the jurisdiction of this **Policy**; or

(13) United States of America and Canada

Claims in the form of any kind of legal (including arbitration) or regulatory proceedings, brought in the United States of America or Canada or any territory within their jurisdiction, or outside of the United States or Canada or any territory within their jurisdiction, to seek enforcement or upholding of a judgment, award or order made in the United States of America or Canada or any territory within their jurisdiction.

Section Conditions

(1) The **Insured Persons** may appoint lawyers to represent them in defending any **Claim**, subject to the written consent of the **Insurer**. Where the same, or a similar **Claim**, is made against more than one **Insured Person**, or against the **Company** and any **Insured Person**, the same lawyers shall be appointed to defend all of them unless there is a conflict of interest between them.

(2) The **Insurer** shall not require the **Insured Person** to contest any **Claim** unless the opinion of an **Independent Lawyer**, to be paid for by the **Insurer**, advises that such **Claim** should be contested having given full consideration to:

- (a) the financial implications, damages and costs likely to be recovered by the claimant; and
- (b) the likely **Defence Costs and Expenses**; and
- (c) the prospects of the **Insured Persons** successfully defending the **Claim**; and
- (d) in respect of a criminal or regulatory **Claim**, the reputation of the **Insured Persons**.

(3) If a **Claim** is made against a party entitled to cover under this Section, together with other loss that is not covered by this **Policy**, or a **Claim** is made against both a party entitled to cover and a party who is not so entitled, the following will apply:

- (a) the **Insurer** will pay only such amount as is just and equitable having regard to the relative legal and financial exposures of the loss covered by this Section compared with the other loss which is not covered by this Section and the party entitled to cover compared with the party not so entitled; and
- (b) the **Insured Persons**, or where applicable, the **Company** and the **Insurer**, will use their best efforts to agree this amount; and
- (c) in default of an agreement, this amount shall be determined by an **Independent Lawyer** in accordance with the principles set out in this Condition.

Data Protection Notice

ACE European Group Limited and its group companies ('ACE') will use the information supplied during the formation and performance of this **Policy** for policy administration, customer services, the payment of claims and the production of management information for business analysis and for the purpose of complying with regulatory requirements. We will keep this information for a reasonable period.

Where sensitive personal data has been disclosed, including any medical or criminal record information, ACE will also use this information for these purposes. ACE is entitled to ask about criminal convictions in relation to insurance risks. There is no obligation to provide ACE with details of any convictions which are spent under the terms of the Rehabilitation of Offenders Act 1974. ACE may also transfer certain information to countries that do not provide the same level of data protection as the UK for the above purposes. A contract will be in place to ensure the information transferred is protected.

ACE may record telephone calls for quality control, fraud prevention and staff training purposes.

When personal or sensitive data is supplied to ACE about third parties other than the **Insured**, both during the formation and performance of this **Policy**, ACE assumes that those third parties consent to the supply of this information to ACE, to ACE processing this data, including sensitive personal data, and to the transfer of their information abroad. ACE will also assume that the supplier of the information is authorised to receive, on their behalf, any data protection notices.

ACE may share personal and sensitive personal information with the following organisations for the purposes described above:

- our connected companies, service providers, agents and subcontractors including loss adjusters and claims investigators;
- our reinsurers who use this information to assess the terms of specific policies and to administer our insurance policies generally;
- other insurance companies about other insurance policies you may have;
- Employers' Liability Tracing Office, Tracing Services Limited, other tracing bodies and the Financial Services Authority and any body which supersedes it for the purpose of assisting individuals (with claims arising out of their course of employment in the United Kingdom for employers carrying on, or who carried on, business in the United Kingdom) to identify an insurer or insurers that provided employers' liability insurance;

- the police, other insurance companies, fraud reference agencies and other representative bodies in relation to the prevention and detection of fraudulent claims or as part of our money laundering checks.

We work with the police, other insurance companies, fraud reference and detection agencies and other representative bodies to prevent and detect fraudulent or exaggerated claims. As part of this we will share information about your claims with providers of software designed to assist in the detection of fraudulent claims. We may also use commercially available databases to prevent money laundering.

Other companies may contact these bodies for information to help them make decisions about insurance or similar services they provide to you.

Individuals whose information has been supplied to ACE are entitled to a copy of that information on payment of a fee and to have any inaccuracies corrected. Such information is available by contacting the Data Protection Officer at 100, Leadenhall Street, London EC3A 3BP.

We do not use personal information for marketing purposes, nor do we share it with any other company for marketing purposes, unless consent to do so has been received in writing from you.

Complaints Procedure

Our Service to You

Our goal is to give excellent service to all our customers. We take all complaints we receive seriously and aim to resolve all our customers' problems promptly. To ensure that we provide the kind of service you expect we welcome your feedback.

We will record and analyse your comments to make sure we continually improve the service we offer.

What happens if you complain to us?

- (A) We will acknowledge your complaint within 2 working days of receipt.
- (B) We may refer your complaint to your insurance adviser or ACE European Group Limited, depending on the circumstances of the complaint, who will handle your complaint in accordance with their complaints procedure. However, we will advise you when this occurs.
- (C) We aim to resolve complaints within 5 working days.
- (D) Once an assessment and full investigation of your concern has been made we will respond with a decision.

Most of our customers' concerns can be resolved quickly, but occasionally more detailed enquiries are needed. If this is likely, we will contact you with an update and give you an expected date of response. This will not be beyond 28 working days from when you first made your complaint.

If you remain unhappy with the decision you receive or we haven't dealt with the issue within 56 days you may be able to refer the matter to the Financial Ombudsman Service (FOS). The Financial Ombudsman Service will become involved if you are an eligible complainant as defined by the rules of the Financial Conduct Authority.

Whilst we and the **Insurers** are bound by the decision of the FOS, you are not. Following the complaints procedure does not affect your right to take legal action.

The steps you should take if dissatisfied

Step 1 Refer your complaint to Towergate Underwriting Liability & Construction's Managing Director.

If you are disappointed with any aspect of the handling of your insurance you should contact, with full details including policy number and/or claim number, the

Managing Director
Towergate Underwriting Liability & Construction
Towergate House
20 Ellerbeck Court
Stokesley
North Yorkshire
TS9 5PT

Tel: 0845 072 0224

Fax: 0845 072 0230

Email: tulacservice@towergate.co.uk

Step 2 Refer your complaint to the Financial Ombudsman Service.

If, after making a complaint to Towergate Underwriting Liability & Construction, you still feel the matter has not been resolved to your satisfaction, you may request assistance from:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Tel: 0800 023 4567

Email address: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Financial Service Compensation Scheme

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

Financial Services Compensation Scheme.
7th Floor Lloyds Chambers
Portsoken Street
London E1 9BN
Telephone: 020 7892 7300
Fax: 020 7892 7301
Email: enquiries@fscs.org.uk

Towergate Underwriting and Towergate Underwriting Liability and Construction
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